

# The NATIONAL UNDERWRITER



*Tonight* ★ ★ ★ AFTER YOU SHOO THEM OFF TO BED

Sit back in that big, soft, easy chair of yours and think . . . think about your home. Look around the house for a moment, and live again its life.

Remember the day you bought your first furniture? It was a thrill, wasn't it? You didn't even mind the cost. And think of all you've added since that first eventful day . . . the silverware, rugs, curtains, kitchen equipment . . . the linens, books, radio and records. And don't forget your closet full of clothes . . . and your wife's clothes . . . and the children's . . .

Gee! You've got more than you thought you had . . . and it cost you plenty of money.

Now . . . an important thought . . . are all those things that make your house a home

insured? You think so. You have fire insurance on your house. But think again. Does it cover the contents of your home? Many, many persons either forget to buy fire insurance for the contents or fail to adjust such insurance to the growing value of their homes year after year.

These are no times to feed dollars to a fire. In addition to buying War Bonds, invest in sound insurance . . . to "freeze" the security of your home . . . to protect your savings . . . to give yourself freedom from worry over loss.

See *The Man with the Plan*, your local Employers' Group Agent. Let him show you how inexpensive sound insurance is. Let him make a free analysis of all your protection and give you a guiding plan for the fire and casualty insurance you need in trying times like these.

THE  
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Fire and Casualty Insurance,  
Including Surety and Fidelity Bonds



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is The Man with the Plan*



*The Man with the Plan brings you News by Cedric Foster*

Sunday evenings over a national book-up. Consult your radio page for time and station.

THURSDAY, NOVEMBER 25, 1943



# THE INSURANCE EXCHANGE BUILDING IS *First Choice* OF CHICAGO'S LEADING INSURANCE PEOPLE

## Experienced Management

The management of the Insurance Exchange Building is qualified by experience and training to handle your insurance office problems. Our advice and experience gained through many years of satisfactory handling of insurance office layouts is available to you. Let us show how the address 175 W. Jackson Boulevard can actually mean more dollars to you. Call or write

R. C. SWANSON, *Manager*

The Insurance Exchange Building is an insurance building for *all* insurance people. That's why it ranks first with leading insurance people in Chicago—that's why 175 West Jackson Boulevard is the nation's most famous insurance address.

Nowhere else in the country will you find a greater centralization of insurance activity under one roof. The Insurance Exchange Building is the recognized headquarters for agents, brokers and company officials. And, because over 95% of the fire and casualty insurance premiums produced in metropolitan Chicago are written in this building, it is only logical for insurance people and organizations to locate where insurance dollars go—in the Insurance Exchange Building.

# Insurance Exchange Building

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## House Rules Committee Now Holds the Key

**Is Asked to Give  
Green Light to States  
Rights Bill**

WASHINGTON — Whether and when Congress will give consideration to anti-trust insurance exemption legislation now depends upon the house committee on rules. In the ordinary course, such consideration might be difficult to secure. The rules committee, however, has been asked to give the green light to the Walter-Hancock bill. If that is done the bill may be expected to be taken up in the House within a reasonable time.

However, it is understood by friends of the bill that it will have to take its turn along with many other matters pending before the rules committee. That body is expected to give a hearing on the request for a special rule to give the insurance exemption measure a priority on the legislative program.

Representative Sabbath of Chicago is chairman of the committee, of which Representative Eugene Cox, conservative anti-New Deal Georgia democrat, is a very influential member.

Delay in furthering progress of the bill until after Thanksgiving seems indicated. The House committee on rules has before it a number of requests for special rules to secure consideration for legislation in the House. It has scheduled no hearing on such a request.

The Senate judiciary committee did not act on the companion Senate bill because of a caucus of Republican members of the Senate which made it impossible to get a quorum of the committee for its regular Monday meeting.

The U. S. Chamber of Commerce board of directors has voted to support passage of these states rights bills.

### Judiciary Report

The majority report of the House judiciary committee approving the bill to exempt insurance from the federal anti-trust laws summarized the situation presented to Congress as follows:

"Under existing laws the business of insurance is not commerce; for over 75 years the existing law has been recognized and accepted by the U. S. Supreme Court, Congress, executive branches of the federal government, by the states and the public; grounded upon existing law, the states have successfully regulated insurance and the business of insurance has been conformed thereto; if long standing decision be reversed, then the constitutional right of the states to regulate will be nullified and a continuation of state regulation could not only be at the sufferance of Congress and could not exist insofar as it conflicts with federal law; the general pattern of state regulation is in direct conflict with the prohibition of the Sherman and Clayton acts as now interpreted by the Department of Justice, for the former encourages or requires cooperation and accord and the latter in effect forbids it; the application of those anti-trust acts to insurance was not intended by Congress and would not be in the public interest; such application must now be predi-

(CONTINUED ON PAGE 28)

## Hartford Help Problem Has Its Fantastic Angles

By ROBERT B. MITCHELL

HARTFORD—What personnel executives here have to go through to get, train and keep enough help to carry on the business of insurance, which rates as non-essential compared with the nearby and numerous war industries, occasionally borders on the fantastic and at all times calls for the highest degree of ingenuity and resourcefulness.

For example, one large company here urgently needed an expert cook for its cafeteria. Canvassing the situation, it was lucky enough to discover that a high-grade experienced cook was working at a bench at a manufacturing company that is converted to war work. It also happened that this insurance company and the war plant management were on very friendly terms. Many of the former's employees work a split shift at the war plant and have proved a valuable addition to the personnel. So instead of taking a coldly impersonal attitude toward the problem of food for the insurance company's employees, the war plant's management decided that a cook working at her own skill was more essential than at a bench, even a bench at a war plant. They were willing to let her go back to cooking and gave her a certificate of availability without which she could not have quit her job.

### More Bridges to Cross

This did not mean, however, that the insurance company now had a cook. First, the transfer had to be cleared with the United States employment service and if any essential industry—and that means not just war plants but hospitals, laundries or restaurants feeding essential workers—had needed a cook, they would have got her and the insurance company would have been right where it was before. It turned out, however, that no essential type of activity needed a cook—a fact which the insurance company had had the foresight to determine in advance.

To an outsider who has been away from Hartford for some time the strangest thing about the employment situation is the contrast between the weird tales which employment managers tell and the calm manner in which they relate them. Some feel the situation is going to get worse before it gets better. Others, taking heart from the recent announcement of a \$13 billion saving in appropriations for the army, and in other indications that war production has probably reached its peak, believe that the most critical phase of the employment situation has been passed.

### As Bad as Any Spot in U. S.

There is general agreement, however, that the employment difficulties for insurance companies are as bad in Hartford as in any spot in the United States—though it is freely conceded that the situation is equally severe in quite a few other localities. But neither the personnel managers nor the executives who have to operate under handicaps are excited about the problem. They are not complaining. They are not even nobly refraining from complaining. They and everybody else are just taking conditions as they come, using their energy and wits to do the job under today's cockeyed conditions. They even seem to get a certain kick out of tackling and finding or improvising a solution to problems that would have seemed preposterous three years ago. Certainly the situation is putting a premium on flexibility, both in mind and in methods.

One of the really critical problems has been whether industries rated as non-essential should not have a ranking com-

parable with war industries in the case of certain very essential employees. Happily, the area director of the war manpower commission has just decided this question affirmatively but for a time it loomed ominously. For example, the insurance company that engineered the cafeteria-cook deal recently faced a really serious situation in its inability to get firemen to run its heating plant. Normally it has five firemen. Three left, leaving the head fireman and one other to operate the furnaces 24 hours a day, seven days a week.

### IN A TOUGH SPOT

The company was in a tough spot, for seven war plants also needed firemen and, of course, they came first. Only if eight firemen could be located would there be one left over for the insurance company. However, the company discovered an experienced fireman working at a bench in a war plant. He had heart trouble, which prevented him from doing heavy lifting and the firing job required no lifting, just pushing the coal in little cars over to the boilers. The United States employment service, however, thought his heart trouble wasn't so bad that he couldn't work in a war plant and refused to release him. Finally the insurance company was allowed to hire him for six days during which he coaled the furnace and trained one of the janitors to become a fireman. This was possible under a clause in the labor stabilization agreement which permits hiring for a special job for not more than six days, the special job in this case being not firing the furnace but teaching the new man.

Even with the janitor acting as a fireman the company was still shy two firemen. It was all set to hire a 68-year old man but it turned out that he was an "in-migrant"—no, not immigrant—from Maine. An in-migrant is a worker coming in from outside an area designated as critical. The Hartford critical area includes 17 towns within a radius of about 10 miles. An in-migrant has to register with the U. S. Employment Service, which usually refers him to an industry rated essential. The object is to prevent non-essential industries importing employees into an already crowded war plant area. The insurance company had hoped that because of its prospective fireman's age the USES would refer him to them but it held that he had to go to a war plant.

The rule is that no non-essential industry can hire an in-migrant except by referral from USES and cannot hire one who has worked in an essential industry within the last 60 days except by special referral from USES and ordinarily a certificate of availability from the previous employer.

### Narrow Range of Choices

With these restrictions on the hiring of in-migrants and workers in essential industries, the insurance companies have a very narrow range of choices: they can persuade local housewives not now employed to work full or part time; they can hire local high school students as they reach working age; or they can bid against other non-essential industries. As to the last course there is a gentleman's agreement to lay off and it has been well lived up to. If it were not observed the results would be chaotic.

High school girls have worked out very well, except for an occasional jitterbug who wastes her own and others' time with constant chatter. They come

(CONTINUED ON PAGE 18)

## Commissioners Meeting Schedule Is Announced

**Number of Committee  
Sessions Will Be Held  
During the Week**

NEW YORK — Superintendent Robert E. Dineen of New York will extend the official state welcome to the National Association of Insurance Commissioners when they convene at the opening session Monday, Nov. 29, in the east ballroom of the Hotel Commodore. Commissioner N. R. Johnson of Minnesota will respond. The welcome for the city will be given by Lee Thompson Smith, director of real estate, and McCormack of Tennessee will give the response. President C. F. J. Harrington, Massachusetts, will preside at the general sessions. There will be a luncheon Monday in the main ballroom but no plans have been made for luncheon on Tuesday. Usually Equitable Society has entertained the commissioners for luncheon at its home office the second day when the meeting was held at the Hotel Pennsylvania, but inasmuch as the convention is being held at the Commodore this year there would be too much confusion and difficulty in transporting members of the convention to and from the Equitable building and the hotel.

The luncheon speaker Monday will be Capt. Maurice M. Witherspoon, chaplain corps U. S. Navy. Captain Witherspoon was on the U. S. S. Wasp during its lifetime and in the past 14 months has flown 50,000 miles over the Aleutians.

### Saturday Nov. 27

Committee on workmen's compensation at office of National Council, Hodges, North Carolina, chairman.

### Sunday, Nov. 28

Executive committee, 2 p. m., Rooms B and C. Retaliatory laws.

### Monday, Nov. 29

9:10 a. m., Room A, accident and health committee, Paul F. Jones, Illinois, chairman. Uniform procedure on policy forms and report of the subcommittee on accident and health.

10-11 a. m., Room C, Committee to study federal legislation, John Sharp Williams, 3rd, Mississippi, chairman. 1. Senate bill 26, federal government bonding. Requested by Commissioner Bowles. 2. Other federal legislation affecting insurance. Executive committee resolution of Oct. 8, 1943, at Chicago.

11-12:45, East ballroom. Full session, President Harrington presiding.

Welcome to New York, Superintendent Robert E. Dineen. Response, Newell R. Johnson, Minnesota.

Welcome to New York City, Lee Thompson Smith, director of real estate. Response, James M. McCormack, Tennessee.

Presidential address, Commissioner C. F. J. Harrington, Massachusetts. Introduction of new commissioners.

### Monday, Nov. 29, Afternoon

1 p. m. Luncheon in main ballroom. 2:30-3:30 p. m., Room C. Valuation of securities committee, Robert E. Dineen, New York, chairman. Valuation of insurance company stocks.

3:30-4:30 p. m., Room A. Committee on laws and legislation, Fraizer, Nebraska, chairman; Thompson, Oregon, chairman subcommittee No. 1; Johnson, Minnesota, chairman, subcommittee No. 2; Eggleston, South Carolina, chairman, subcommittee No. 3.

(CONTINUED ON PAGE 18)

## Should Coinsurance Penalty Apply to Expediting Costs?

Whether the amount spent by assured to reduce the loss under contribution forms of use and occupancy should be included before figuring the amount of the coinsurance penalty or whether the insurers should pay 100% of expediting expenses is a problem that is now receiving considerable attention. The Western Loss Association at its meeting in Chicago the other day appointed a committee to determine the general attitude toward the matter of those in the middle west. The Eastern Loss Executives Association has had a committee studying the subject for some time, and it has been suggested that the Insurance Executives Association take up the matter and possibly work out an answer that would be uniform throughout the country.

There seems to be a good deal of honest divergence of opinion among underwriters as to what position the companies should take, if the present confusion in some of the forms is going to be clarified by revision. There is some disagreement among adjusters. These differences of opinion and interpretation are, many in the business believe, not only confusing but harmful to a line that is in its great period of popularization. The factory mutuals do not coinsure expediting expenses, it was brought out at the insurance conference of the American Management Association in 1943. There should be, many in the business believe, nation wide uniformity in treatment of the matter.

### Doubts Resolved in Assured's Favor

Even in those forms which include expediting costs in the amount insured, thus apparently indicating the intention of the contract to provide that such costs shall be included in the loss before application of the coinsurance percentage, there is enough doubt to cause some companies to feel that it should be resolved in favor of assured and coinsurance not applied, and that the courts would so resolve it.

Those who favor payments by the company of 100% of expediting expense are in the position of seeking cooperation of assured in holding down U. & O. losses. The form requires this, but the requirement is difficult of practical application. Complete coverage of the item is really in the nature of a bonus to get assured to reduce the loss. Even though assured saves himself some money at the same time he is saving the insurer, if he chooses not to show energy and intelligence about getting back into business or production, the company will have a larger or even complete loss under the contract. It is possible for assured to avoid any loss by judicious and energetic expediting; in which case, is the insurer to apply the coinsurance penalty?

It is not always easy for assured to find new facilities, especially nowadays. There may be periods of depression in the future when he will not feel inclined to do so. Any move nowadays may involve higher costs for labor. The labor a firm must go into the open market to get will doubtless have to come from the bottom of the manpower barrel.

In any dispute assured is going to keep referring to the amount saved the company, and no matter how much he saves himself, his argument will be that if he had not scurried around to find emergency facilities, then the company would have had to pay the total loss of earnings.

Although under the contract it does not matter whether an insured is a deliberate or an accidental coinsurer the fact that an assured deliberately assumes a part of his risk certainly has some bearing on the attitude of the company in interpreting the contract, although it might not have any effect in court.

The western contribution forms numbers 193-L and 194-L state in a separate

paragraph that items I and II "cover such expenses as are necessarily incurred for the purpose of reducing any loss under this policy. . ." In one view this appears to add the coverage of expediting expense to each of these items. The word "loss" in the contribution clause is understood to mean the final loss under each item including expediting expense, according to some underwriters. The fact that "expense incurred for purpose of reducing any loss under this policy" is exempted in parentheses along with ordinary payroll and heat, light, and power, merely excludes expediting expense from the denominator

$$B \text{ in the formula, } \frac{A}{B} \times C. \text{ It does not}$$
 exclude expediting expenses from C, one underwriter points out.

### Western Gross Earnings Form

The western gross earnings form 195 states that "this policy covers such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, etc.," which, one side argues, adds the coverage of expediting expense to the coverage clause, and which would subject such expense to coinsurance. There are also conflicting views as to whether or not the contribution clause in referring to "loss" means the covered loss, that is, the loss after expediting expenses have been incurred. The courts' interpretation in these forms probably would favor assured.

The eastern and southeastern two item coinsurance forms contain a separate paragraph reading, "this policy also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, etc." The fact that the policy states that it "also" covers such expenses as are necessarily incurred is taken by some to indicate that the companies intended to cover such expense 100%.

The eastern and southeastern gross earnings form, too, use the word "also".

### Per Diem, Per Week Forms

In the western per diem and per week forms, the third item of coverage is "such expenses as are necessarily incurred for the purpose of reducing the loss under this policy, etc." Both the total and partial suspension clauses, however, definitely refer to the liability under items I and II. This arrangement seems to indicate that the expediting expense coverage provided by item III is something apart, which is not subject to the coinsurance fraction which is set up in the partial suspension clause. Evidently with the intention of eliminating the conflict in the western per diem and per week forms, the eastern and southeastern forms divides the coverage into items I and II, and take care of expediting expenses in a separate paragraph. Here again is used the word "also", evidently with the purpose of strengthening the interpretation that coverage of expediting expenses is pro-

## Managers Form New Group at Washington, D. C.; Covers Fire, Casualty and Surety

WASHINGTON — The Insurance Managers Association of Washington, D. C., has been organized here, including as members company managers for fire, marine, casualty and surety companies and claims to be the first such group in the United States to embrace representatives of both branches of the property insurance field.

Guy E. Mann, manager Aetna Casualty, was elected president; Charles F. Holden, general manager North America companies, vice-president and chairman of the executive committee; Howard M. Starling, manager of the Washington office of the Association of Casualty & Surety Executives, secretary-treasurer. The officers, with the following comprise the executive committee: W. E. Stansbury, manager Globe Indemnity; Frank B. Burdall, resident manager America Fore group, and L. C. Rosenkrans, resident vice-president, Fidelity & Deposit.

The announced purpose is to foster and support practices in the insurance business which will benefit the public, the companies and the producers. Mr. Mann stressed the need for such organizations of company men embracing all branches of the business, and recommended that similar groups be formed in other communities so as to consolidate activities in line with the multiple line interests of the various companies and fleets. The managers thus can serve the public, the companies and the producers with greater efficiency, he said.

### Supports Brooks WDC Bill

ST. LOUIS—If the war lasts two more years, insurance premiums collected by the War Damage Corporation may amount to \$500 million, most of which—unless Congress acts to prevent it—will eventually be a profit for the government, H. G. Woodruff, president Mortgage Bankers Association of America, said in a statement to the members of the association urging them to support the bill of Senator Brooks and Representative Busbey of Illinois, which provide for refunds to policyholders after the war, less deductions for losses and administrative expenses. So far the losses have been negligible while premiums collected have exceeded \$130 million, Mr. Woodruff said.

vided in addition to the coverage of the loss.

The companies are in general agreement that expediting expenses should have no bearing on the amount of insurance to be carried. One underwriter points out that the coinsurance clause specifically excludes "expense incurred for the purpose of reducing any loss." He is opposed to excluding the expense item from contribution.

The point is raised that under a policy insuring property the salvage expense comes out of salvage recovery, thus making this expense a part of the loss before coinsurance is applied.

## Ask for Spread of Understanding

### A. E. Hill Tells S. E. U. A. Public and Officials Must Be Enlightened

ATLANTA—Reminding the general public and certain government officials of the important and efficient service rendered by private insurance companies within the economic and social



Ashby E. Hill

structure of the country remains one of the real jobs of the insurance business, Ashby E. Hill, vice-president of Home and president of the Southeastern Underwriters Association, said in his talk at the semi-annual meeting of the S.E.U.A. here. Millions of people know relatively little about the complications and ramifications of the insurance industry, he said, and it is the responsibility of those in the business to help educate the general public to a better understanding of its problems and real objectives.

Certain insurance operations might be simplified and many popular misconceptions should be corrected, he declared. "We should attempt to remove all real and fancied mysteries that may confuse the public as to our business procedures."

### Challenges Purposes of Critics

Errors in judgment have been made, he said, but he challenged the purposes of those critics who defame the institution for selfish ends. Sound and lasting reforms require understanding and fair play, and such improvements are best made within the industry under the leadership of those versed in its complexities. Sudden modification of generally accepted business practices for new and untried theories is dangerous in peacetime and may well be disastrous in wartime, he declared.

Mr. Hill ventured no guess as to the outcome of the S.E.U.A. case in the Supreme Court or the pending bills in Congress. He said both are in competent hands.

He said it is up to those in insurance to help overcome the bitter class hatreds and misconceptions of business purposely and infamously introduced by proponents of a new order in America. Major efforts should continue to be devoted to improvement of insurance service.

He said that the simplified dwelling schedules introduced in the S.E.U.A. territory are a good example of an improvement designed to save time and money by standardization and simplification of old procedures. There have been complaints from agents asking companies to absorb the full return commissions and to increase agency commissions, under the revised dwelling form, but he said that these have had to be turned down.

Agents, he declared, should bear in mind the timely advice given mutual agents at their recent annual meeting by Executive Vice-president J. J. Beal of Northwestern Mutual Fire, who said that "mutual dividends and commissions make up a substantial share of the cost of doing business," and then appealed to agents to accept a small rate of commission.

He said the principal problem when the war is over will be providing employment for those returning from service, and insurance must be willing and able to do its full share in the national reorganization.

## THIS WEEK IN INSURANCE

Detailed program given for commissioners' meeting in New York. Page 1

Fate of the states right insurance bill now depends very largely on the attitude of the house rules committee. Page 1

Survey of personnel problem in Hartford reveals fantastic phases but situation is being met with resourcefulness. Page 1

Senator Tydings, H. C. Conick of Royal-Liverpool and others appear on program of Maryland Association of Insurance Agents. Page 3

Ashby E. Hill, president, tells the semi-annual meeting of S.E.U.A. the big insurance job is to bring understanding of its real purposes and objectives to the public and public officials. Page 2

National Bureau companies on the one hand and Hartford Steam Boiler and Employers Liability on the other agree on principles for solution of boiler and machinery rate and cover war and are starting to work out the details. Page 15

Representatives of buyers and stock and mutual insurers argue at Texas compensation rate hearing. Page 17

Massachusetts automobile liability rate hearing is spirited. Proposed 1944 schedule severely criticized. Page 16

Arizona Association of Insurance Agents votes to employ full time secretary, elects R. N. Martin, Phoenix, president, at annual convention. Page 27



## Tydings Addresses Maryland Agents

### Calls for Bridle on Spending: H. C. Conick Is Banquet Speaker

More than 300 attended the annual convention of the Maryland Association of Insurance Agents and there was an overflow crowd to hear Senator Tydings, who assailed government waste and declared the public can no longer take government for granted but must assume an active part in its affairs.

H. Merrill Walters, the new president of the association, is a local agent at Pocomoke City.



H. M. Walters

Senator Tydings said that at the close of the war the government will own \$60,000,000,000 worth of shoes, clothing, food and equipment of all kinds accumulated during the war. Unless the resale of this vast amount of material, which equals about two-thirds of the total earnings of the people in a fairly good pre-war year, is made wisely, disaster is in store not only for the concerns that make these products but for the whole population. There will be 20,000,000 people, he said, now in war work who as soon as the war ends will be unemployed, along with 10,000,000 from the armed forces.

He suggested a constitutional amendment to prohibit government spending more in peacetime than it took in unless it raised the extra taxes at the time, except for periods of distress, and then only on formal vote of three-fifths of the House and Senate. For 13 years the country has lived on its future, he said. This would largely eliminate the selfish pressure groups because with the privilege of making an appropriation would go the responsibility of raising the money to sustain it.

Senator Tydings said he favors Senate bill 1362 and will vote for it.

H. C. Conick, assistant U. S. manager of Royal-Liverpool, was the banquet speaker and stressed the importance of building up agencies by using ex-service men after the war. He said that the insurance business has not merchandised as other businesses have done and there is a large field that can be tapped by using added manpower.

The new insurance commissioner of Maryland, Lawrence E. Ensor, was introduced at the banquet by H. W. Jackson, Baltimore agent and former mayor, who was toastmaster.

Presley D. Bowen, the retiring president of the association, was presented a desk set and pad by Guy Warfield, Jr., of Baltimore on behalf of the association.

Executive Secretary George A. Robertson reported that the association now has the largest membership in history.

Resolutions were adopted urging support of the insurance bills in Congress and appointing committees to investigate the new compensation rating plans and a conflict in the Maryland law relative to the writing or soliciting of insurance by persons engaged in the small loan business.

Directors of the association are R. G. Bittle, Baltimore; A. W. Hall, Salisbury; W. B. Dukes, Kennedyville; M. B. Fox, Towson; A. P. Weaver, Jr., and F. A. Roloson, Baltimore.

## MARYLAND NOTES

Zurich headquarters at the convention, in charge of N. T. Robertson, superintendent of agents, eastern department,

## Classification Report in New York Is Released

The New York department has released its standard fire classification report showing the 1942 experience on fire and lightning according to National Board classifications and the results under special forms attached to the regular fire policy. The experience is for stock fire companies.

The fire and lightning premiums written in New York City on brick protected properties was \$4,716,104, the average rate being 48 cents and the loss ratio 42.81; for frame protected the corresponding figures were \$536,463, 83 cents, and 37.63. For fire-proof protected the figures are \$721,447, 18 cents, and 21.27. The totals in New York City were \$5,974,014, 41 cents, and 39.75.

For New York state outside of New York City the totals were \$3,775,250, 77 cents and 31.17. On brick protected the figures were \$1,897,731, 67 cents and 27.5. On frame protected they were \$1,593,723, 94 cents and 35.61. On brick and frame unprotected \$200,704, \$1.63 and 34.24 and on fire-proof protected and unprotected \$83,092, 32 cents and 22.25.

In New York City the premiums for rent and rental value were \$265,014, average rate 27 cents and loss ratio 18.41. For New York state the figures were \$105,059, 40 cents, and 12.43.

For leasehold in New York City the figures were \$4,131, 49 cents and 32.63. For New York state they were \$2,160, 27 cents and 17.87. U.O. in New York City, \$430,238, 28 cents and 9.46; New York state, \$337,190, 42 cents and 70.2.

Profits and commissions, New York City, \$34,637, 61 cents and 1.22; New York state, \$10,167, 70 cents and 1.88.

Extra expense, New York City, \$2,681, 23 cents and no losses; New York state, \$6,400, 93 cents and no losses.

## Discuss Salary Increase Methods

PHILADELPHIA—A review of current practices on "Salary Increase Procedures" and recommendations for improving them occupied the meeting here of the National Office Management Association. The meeting was conducted by George D. Wood of Provident Mutual Life. Principal speakers were Harris Ebenbach of the department of office administration of the North America, and J. M. Kirchgasser, of the personnel department of the Pennsylvania Company for Insurances on Lives and Granting Annuities.

and Frank Shramek, Baltimore manager, was a popular rendezvous.

The U. S. F. & G. people were out in force, and their headquarters in charge of Dillard Hall was well filled. Mr. Hall was assisted by President E. Asbury Davis, Vice-presidents Philip Lee and J. D. Williams, Secretary C. J. Fitzpatrick, and Conway Taylor, Baltimore manager.

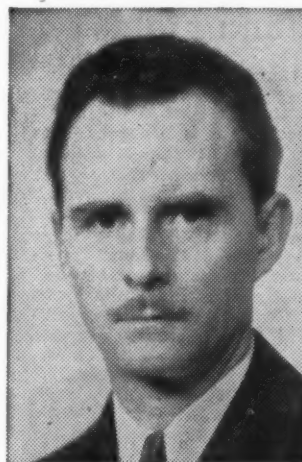
Corroon & Reynolds was represented by John M. Owen, manager of the Philadelphia office.

On hand for Northern Assurance were Robt. W. Daum, assistant secretary, New York City, and Robert Sargent, manager at Philadelphia.

Great American had Henry H. Hurt, special agent, looking after its interests.

Among others on hand were Voris Lyons, vice-president Pennsylvania Casualty; Harry F. Ogden, president and Frank Dorsey, vice-president of Fidelity & Guaranty Fire; Elmer Due, superintendent of agents of New Amsterdam Casualty; H. C. Michael, vice-president Maryland Casualty; Jack Yost, vice-president American Bonding; Owen Donagan, Maryland manager Fidelity & Deposit; Wm. B. Woodroffe, assistant secretary, and R. B. Stegmaler, Baltimore office North America.

## Author of New Book Sullivan Views Marine Situation



J. EDWARD HEDGES

"Practical Fire and Casualty Insurance" by J. Edward Hedges, associate professor in charge of insurance at Indiana University, is being published by THE NATIONAL UNDERWRITER. It will be off the press about the first of the year.

The new book is a clear outline of the fundamentals of fire, casualty and surety coverages and is adapted from material used with great success by Professor Hedges in his correspondence course for preparation for the Indiana agents' license examinations. The same material was used in Professor Hedges' CPCU review course at Indianapolis last year.

## Well Versed in Business

Professor Hedges, who is chairman of the educational committee of the Indiana Association of Insurance Agents, is known country-wide as an educator who has maintained close and effective contact with the active insurance business. He directed the successful schools of the Indiana association at Bloomington and Indianapolis and established his correspondence course for prospective agents when the Indiana examination law went into effect. A graduate of Baker University, he received his master's degree from University of Kansas and his Ph. D. from Johns Hopkins University. After teaching at Kansas and Johns Hopkins, he put in several years of insurance teaching at Emory University, Atlanta, before taking up his present duties at Indiana University. He is also the author of "Commercial Banking and the Stock Market Before 1863" and co-author of "Compensation of Life Insurance Agents."

"Practical Fire and Casualty Insurance" is particularly well adapted to the newcomer in an insurance office, as it is devoted entirely to the fundamentals of coverages, with none of the academic material found in most textbooks. Review questions at the end of each of the 10 chapters also make the book an ideal text for a review or refresher course. The subjects covered in the chapter headings are principles of insurance, organization of the insurance business, standard fire contract (including the 1943 New York policy), extended cover and collateral fire lines, consequential loss, general liability and workmen's compensation, inland marine, automobile, other casualty lines and bonds. There is a foreword by C. M. Cartwright, editor of THE NATIONAL UNDERWRITER.

Single copies sell for \$2.50, with attractive discounts for quantity orders. Orders may be sent to the "Fire, Casualty & Surety Bulletins," 420 East 4th St., Cincinnati 2, or placed with any office or business representative of THE NATIONAL UNDERWRITER.

Harry K. Schaeffer, National Board, will speak at a meeting of the Cincinnati Fire Underwriters Association Dec. 5.

## Sees Bailees' Cover Rate Increase; Assured Need Agent's Advice

CINCINNATI—"The need of insured for inland marine and transportation protection is gradually increasing from day to day," Raymond D. Sullivan of Chicago, western manager of the Marine Office of America, said at the meeting of the Cincinnati Fire Underwriters Association. The number is increasing and the property involved is more valuable, he said. Travel exposure is getting worse, due to the congestion of people and baggage, poor terminal handling and lack of supervision.

Rates for bailees' coverages are bound to increase, Mr. Sullivan commented. Some companies already have taken the step because there is now twice as much exposure to loss in plants. He also expects coverages for shipping and transportation to increase in cost. Motor truck cargoes as a class are of higher value limit per truck.

The values of cargoes have advanced from around \$3,000 top to \$35,000, \$75,000 and even \$100,000, he said. In Cook county and northern Illinois there has been an increase in liquor hijacking. A couple of years ago a liquor cargo was valued at \$6,000. When hijacked it could be sold for \$3,000. Now the same cargo has a value of \$10,000 and when hijacked may be moved into another state and sold for as much as \$15,000. Some of the factors tending to increase transportation coverage losses are dishonest drivers, worn tires and older trucks. Such factors are bound to increase losses to a point that will affect rates.

Many of the losses are not the fault of the driver, but some are, with his collusion, Mr. Sullivan said. One driver drove his truck around the block three times before the hijackers appeared to take over.

Agents can point out these increases in hazards and losses to clients. Agents ought to check frequently with their clients, particularly as to amount of insurance, but also as to coverage, as the war situation may have changed the clients business so there is more need for a marine policy to fill gaps.

When an agent applies for higher limits the company usually reviews the loss experience of the client. If the experience has not been good it may mean an increase or an additional rate.

There was more reinsurance exchanged on motor cargo coverage in Chicago last year than in the entire eight previous years, Mr. Sullivan commented. This was an indication of the higher limits now being required.

When agents furnish incomplete information in applying for marine coverages there is a delay in issuing the policies, additional stenographic work is involved and the client is less likely to get quick service, he said. A competitor may send in a more complete application, on which the company can issue a lower rate. This may embarrass an agent who has not given full and complete details to the company. Later, when a loss occurs, if the facts indicate the agent has not given full information initially, claim service to the clients may be affected. But what is more vital to the agent and customer, the company experiencing an unexpected loss of that kind may be inclined to cancel the coverage.

Personal property floater losses have gone up, he said, but still show a satisfactory 44% loss ratio on a written basis. Included in that ratio, however, are some three year policies. Even with losses creeping up for this coverage, Mr. Sullivan does not expect a change in the rate structure.

This year's experience in ocean marine is much better than in 1942, Mr. Sullivan said, and it is reported that half of the 1942 losses have been made up.

## NEWS OF FIELD MEN

### R. J. Martin Heads Kentucky F.U.A.

LOUISVILLE—The Kentucky Fire Underwriters Association at its annual meeting here elected R. J. Martin, Phoenix of Hartford, as president, succeeding J. Branch Taber, Fidelity-Phoenix. Richard K. Langan, Great American, was elected vice-president, and Julius V. Bowman, Fire Association, was reelected secretary, a post he has held several years.

Mr. Taber was elected chairman of the executive committee. Other members are: R. L. Meeks, Fidelity & Guaranty Fire, and George C. Gibson, Jr., London & Lancashire.

#### Balance Situation Superb

Retiring President Taber commented on accomplishments of the field organization over the year and the present excellent position of balances, probably the best in several years. About a dozen men from the organization are now in service.

The Kentucky Blue Goose had three candidates up for election.

### Indiana Field Gatherings Held

The Indiana Blue Goose held a special meeting in Indianapolis. A movie of the recent Purdue-Minnesota football game was shown in slow motion with comments by Cecil Isbell, assistant Purdue coach and Line Coach Joe Deinhart. Don G. Kaga, Secured F. & M., procured the film. Three goslings were given their first swim, R. F. Hamm, Indiana Inspection Bureau; J. P. Hasler, Western Adjustment, Munie, and F. H. Krentler, Indianapolis. W. P. Ressler, National, most loyal gander, presided. Lieut. John W. Gamble of the navy, on furlough from the Canal Zone, who formerly was with the Indiana Inspection Bureau, told the appreciation of men in service for remembrances and letters received from fellow ganders and the pond. C. W. Watkins, New York Underwriters, Chicago, past most loyal gander Indiana pond, was present.

R. E. Vernor, Western Actuarial Bureau, at a special meeting of the In-

diana State Fire Prevention Association, reviewed special inspection work being done in Indiana defense plants. It was indicated over 2,000 inspections have been made with an average of four recommendations per risk. The subject of sufficient identification proof to be carried by inspectors while engaged in inspection of defense plants was discussed, in view of the experience last week of H. H. Wells, Cooling, Grumme & Mumford general agency, when he was sought for several hours as a saboteur when an elevator at Fairmont, Ind., burned within half an hour after he had inspected it and then left town.

### Linnell Makes Big Hit in Ill. Blue Goose Address

T. G. Linnell, Minneapolis general agent and grand supervisor of the Blue Goose, gave a stirring talk at the dinner meeting of the Illinois pond in Chicago Monday. He gave a factual report on Blue Goose activities and also delivered an inspirational message that made a profound impression on the group.

Don Campbell, credit manager of America Fore, and head of the Illinois Pond, presided. A past most loyal

gander pin was presented to James P. Jana of Hartford Fire, life membership certificates were presented to C. W. Good, Illinois state agent of London & Lancashire, and Everett Tanner, retired official of Security of New Haven. Fifteen goslings had their pin feathers neatly extracted and prizes were distributed to the athletes who during the summer captured golf honors, the grand champion being George Cassell, Caledonian, who has taken the place of his father, Lewis Cassell, London Assurance, as the greatest collector of golf loot in the state.

#### Post War Plans

Mr. Linnell reported that the grand nest is submitting to the individual ponds a proposal that there be remitted to each pond an amount equivalent to \$1 per member in view of the fact that the 1943 grand nest meeting was called off and that similar payments be made any other years during the war when the meeting is not held. The grand nest will recommend that this money be put aside and used to defray the expenses of attending the first post war convention of the man who was most loyal gander during the year that there was no grand nest meeting. Thus, he observed, the first post war convention would be the largest in history. That convention will be held in Colorado.

### Dishonesty Is Discussed Before N. J. Club

NEWARK—The reason for a person's suddenly turning dishonest is still a mystery and no system has yet been discovered which is foolproof against dishonesty, F. W. Selsor, claim attorney of Fidelity & Casualty, New York, told the New Jersey Field Club. It is impossible to tell how much of a strain a person's character will stand before dishonesty shows, he said.

Leon Watson, manager New Jersey Schedule Rating Office, will speak at the club's Christmas meeting Dec. 20. The annual meeting and election follows in January.

The club is sending its 22 former members who are in service subscriptions to the service edition of "Time" magazine as Christmas gifts.

New members are: M. B. Bassford, Travelers; J. F. Corcoran, New Brunswick Fire; J. B. Mehorter, Home group; R. M. Reid, Springfield F. & M., and W. W. Wallin, National Union Fire.

### N. C. Field Club Starts Educational Program

At the meeting of the North Carolina Field Club in Raleigh the first class in its educational coverage was conducted on fire insurance and allied lines. State Agent A. J. McDavid of New York Underwriters led the discussion. The program is that prepared by the educational division of the National Association of Insurance Agents. The field club, also expects to take up agency management, inland marine, aviation, and state insurance laws at its next four meetings.

In the afternoon the midyear session of the Carolinas' Blue Goose was held with M. L. G. J. E. Smith, Aetna Fire, Charlotte, presiding. A Blue Goose barbecue wound up the two meetings.

### Jones Heads Okla. Fire Underwriters Association

OKLAHOMA CITY—The Oklahoma Fire Underwriters Association has elected J. N. Jones, Phoenix Assurance, president; E. N. Pearson, Aetna Fire, vice-president, and H. E. Pate, Commercial Union, reelected secretary-treasurer.

Marvin G. Elkins, Northern Assurance, was named to fill the unexpired term of Mr. Pearson on the executive committee. Other members of the new executive committee are J. W. Crist, Security, Conn.; Fred A. Fletcher, National Union, and C. H. Kiehlbauch,



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2. A daily report file -
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**CASUALTY — MARINE — BONDS**

NAME	DATE	AMOUNT	TYPE OF INSURANCE	EXPIRATION DATE
John Smith	8-23-46	\$1000	Life	8-23-51
John Smith	9-14-46	\$500	Life	9-14-51
John Smith	10-15-46	\$250	Life	10-15-51
John Smith	11-16-46	\$125	Life	11-16-51

**POOL GROUPS**

GROUP	HAS	AMOUNT OR LIMIT	HAS NOT
GROUP 1			
GROUP 2			
GROUP 3			
GROUP 4			
GROUP 5			
GROUP 6			
GROUP 7			
GROUP 8			
GROUP 9			
GROUP 10			

**ALL IN ONE PLACE: a record of coverages sold and additional coverages needed—a reminder of undeveloped sales possibilities whenever the folder is pulled from the file.**

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record that steps up sales activities. Over a million of these "6 in 1" record folders are in use in Royal-Liverpool agencies—a convincing answer to the question, "Do they produce extra premium dollars?"

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America Fore. Mrs. Joy Shankle was retained as assistant secretary.

### Fond du Lac, Wis., Is Inspected

The Wisconsin Fire Prevention Association conducted a two-day inspection of Fond du Lac. Harry K. Rogers, Western Actuarial Bureau, spoke at the dinner. W. H. Baumgartner, chairman of the local fire prevention committee of the association of commerce there, which sponsored the inspection, is also president of the McDermott-Thorn-ton agency and of the Fond du Lac local board.

### Cal. Pond Initiates Eight

LOS ANGELES—Eight goslings were initiated into the California Blue Goose at the November meeting, including W. E. Brady, Jr., and E. H. Linnell, General Agencies of New York; C. W. McMillan and A. B. Zingg, Victor Montgomery general agency; H. J. Gloyd, C. E. Spear and W. K. Young, Spear & Co., and J. W. Norris, Great American.

The Fire Prevention Association of Ohio will inspect Conneaut Jan. 20 and Galion March 22. Harry K. Rogers, Western Actuarial Bureau, will speak at the Conneaut inspection.

Tullahoma, Tenn., was inspected by

the Tennessee Fire Prevention Association with about 20 on hand, led by Charles Griffin, Travelers Fire. Bad wiring and other conditions uncovered were attributed to rapid growth of the city incident to the growth of Camp Forrest and the air training base nearby.

Mrs. Muriel Tsvetkoff, manager of the San Francisco Better Business Bureau, addressed the Blue Goose Monday, discussing swindlers, chiselers, etc. There was also a brief round table discussion on manpower problems with Attorney Olney L. Huss of the labor commissioner's office.

The Illinois Fire Prevention Association conducted an inspection of Dixon with Harry K. Rogers of the Western Actuarial Bureau giving the main address at the luncheon. About 35 field men participated and 100 attended the luncheon.

### Wayne E. Smith Is Retiring

Wayne E. Smith of the accounting department of Hartford Fire has retired after 49 years service. He was presented a number of gifts by his associates. He is a brother of Clyde Smith, executive secretary of Hartford, and a son of James P. Smith, who was for many years its cashier.

## NEWS OF THE COMPANIES

### Gilbert to Amer. International Underwriters

A. E. Gilbert, who has been with Hanover Fire since 1917, for the past seven years as vice-president,



A. E. Gilbert

has resigned as of Dec. 31 to become associated in an executive capacity with American International Underwriters, foreign managers for Hanover and Fulton Fire and for the Loyalty group, and National Union and Birmingham.

Mr. Gilbert, as vice-president of Hanover, has for many years supervised the American International Underwriters operations for his company with growing enthusiasm. He is now convinced that the period of greatest opportunity and usefulness for that organization will follow the end of the war. The A.I.U. has often expressed appreciation of his support and assistance and the management has expressed itself particularly fortunate in obtaining his full services.

While those at Hanover regret Mr. Gilbert's decision to resign, they understand his desire to take advantage of the wider opportunities afforded by his new connection, and he leaves with the entire company's best wishes. He will still be devoted to an important part of Hanover's fortunes through the A.I.U.

### Wilkins Devoting Energies to Expansion of K. C. F. & M.

L. Earle Wilkins, who recently was elected executive vice-president and a director of Kansas City Fire & Marine to be in active charge of the company under President Morton T. Jones, has been with that company and the R. B. Jones & Son agency as comptroller. He formerly was resident manager at St. Louis for Joseph Froggatt & Co. and is president of the Insurance Accounting & Statistical Association. He will devote his time to expansion of the company's agency organization.



L. E. Wilkins

### E. H. Ely Is Made General Adjuster for Home Fleet; K. V. Robbins Assistant

Edwin H. Ely has been appointed general adjuster and K. V. Robbins, assistant general adjuster of all Home of New York companies. F. E. Potter, formerly general adjuster, was elected vice-president and secretary some time ago.

Mr. Ely joined the company in the loss department in 1920. He was made staff adjuster for suburban Long Island in 1930 and a year later promoted to state agent. In April, 1938, he returned to the home office as suburban manager, following which he was appointed assistant general adjuster in October,

1939. Mr. Ely is a member of the Eastern Loss Executives Conference and the Adjusters Round Table Conference.

Mr. Robbins entered insurance in Terre Haute, Ind. After serving in the war he became insurance manager for the Marion, Ind., Title & Loan Co. He joined Home in 1920 as automobile special agent in Indiana, doing general field work until 1929 when he was transferred to Detroit as special agent. He was appointed staff adjuster for Michigan in 1936 and transferred to Baltimore in that capacity in 1937. He went to the home office in June, 1943. Mr. Robbins is most loyal gander of the Chesapeake Blue Goose.

R. M. Dooly, of the Dooly & Co. agency, Portland, Ore., has been elected a director of General of Seattle.

Transportation of Chicago has been licensed in Virginia.

### IN U. S. WAR SERVICE

Lt. Roger S. Whelpley, who is claims officer at Fort Knox, Ky., has been promoted to first lieutenant. He has been in the army about 21 months, starting in radio work and taking officer candidate training in the administrative school at Fargo, N. D. Lieutenant Whelpley was in the home office compensation department of Utica Mutual before entering the army. He is a son of Whitney R. Whelpley, Grand Rapids, Mich., western vice-president "United States Investor."

Clifford W. Stickles, special agent of Northwestern National in Indiana, is now in the navy, training at Great Lakes, Ill. The company expects to name a successor to Mr. Stickles at Indianapolis soon.

Miss Janet Lambert of the Eureka-Security agency in Cincinnati has entered the WAVES and reports at Hunter College, New York, Dec. 2.

Robert E. Stitt, son of R. E. Stitt, secretary-treasurer of Joyce & Co., Chicago, has been commissioned 2nd lieutenant in the marine air corps, stationed at Benjamin Lee Field, Fla.

K. W. Anderson, second lieutenant, who has just been commissioned as navigator in the army air corps at navigator school in San Marcos, Tex., is the son of Emil T. Anderson, well-known Chicago independent adjuster.

### Accountants Association Nominates 1944 Officers

The nominating committee of the Insurance Accountants Association has recommended the following slate for the annual meeting in December: President, Arthur A. Dahlberg, Sun; vice-presidents, Robert C. Ratcliffe, Newark Fire; Jeremiah M. Donovan, Travelers Fire; and John V. Lample, Royal Exchange; treasurer-historian, Frederick W. Maasen, London Assurance; executive secretary, DeWitt C. Glatz, Phoenix-London group, and assistant secretary, Fred J. Ruckdeschel, Atlas.

Everett S. Stryker, Loyalty group, and John W. Dillon, Buffalo, were nominated for three year terms on the executive committee, and Robert D. Morse, Hartford Fire, for two unexpired years of the term of Mr. Ratcliffe.

The Insurance Exchange of St. Paul will hold its quarterly dinner meeting Dec. 8.

**WILL PAY CASH FOR FIRE AND CASUALTY AGENCY IN DETROIT. ADDRESS BOX T-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.**

### OFFICIAL WAR MESSAGE

No. 9



## A roof under your feet

That's what ceiling prices are! They enable you to plan your wartime budget on a good firm foundation. They enable you to look ahead and plan ahead without fear that next week or next month the prices of things you need will be way up.

But ceiling prices will work only if you personally make them work. They are for your protection. But they also are for you to observe and for you to enforce.

Know the ceiling prices of what you buy. Insist on seeing them prominently displayed. Buy only at ceiling prices. Protect ceiling prices . . . and they'll protect you!

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# Reward For Service



**Y**OU National Fire Group agents have been given strong support in your campaign to provide adequate wartime insurance. You have protected industry and production. This has served your country and may have enabled you to maintain your agency's income.

During 1944, replacement costs must be watched even more carefully, and properly covered. Although Victory seems sure now, the hardest job is still ahead. We pledge that our aggressive service will be even more helpful to our agents next year.



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## AS SEEN FROM CHICAGO

### CROWD AT EXAMINERS' DINNER

More than 130 turned out for the annual managers' night dinner of the Fire Examiners Association of Chicago last week when C. M. Cartwright, editor of THE NATIONAL UNDERWRITER, gave some reminiscences of early day figures in the insurance business in Chicago. Mr. Cartwright was introduced by E. D. Lawson, vice-president and western manager of Fireman's Fund. J. W. Nickerson of Allstate, head of the association, presided.

### WARDER TO BE KNIGHTED

L. G. Warder, associate manager of the Hartford Fire western department in charge of the farm, hail and rain department, will be elevated by the Knights of the Round Table of the Union League Club at their annual joust and tournament, Dec. 11, from esquire to knight. H. A. Clark, western manager of Fireman's, and F. L. Ludington, western manager of Atlas, are neophytes, who will be initiated.

### BROKERS' OPINION DIVIDED

A number of leaders of the Insurance Brokers Association of Illinois are taking steps to have called a special meeting of the members for a discussion of the states rights insurance bills in Con-

gress, in the hope that the members will adopt a resolution favoring this legislation. The board of directors at the annual meeting early in November adopted a resolution opposing these bills and that action caused a great deal of comment not only in Chicago but all over the country, inasmuch as all the other agents and brokers organizations throughout the country have been endorsing the bills and have been working for their passage.

A good many of the influential leaders in the brokers' association have taken exception to the stand of the directors and several of them appeared to express their views before a meeting of the board the other day. They feel that the members should be given an opportunity to hear a thorough discussion of the issues involved and should then have an opportunity to state their position as an organization.

### CRITCHELL-MILLER LUNCHEON

James M. Haines, U. S. attorney of Phoenix Assurance, presided over the luncheon given last week in Chicago, in honor of the Critchell-Miller Agency's 75th anniversary. He and his cohorts were in the city to take part in another jubilee, the 50th anniversary of the founding of Conkling, Price &

Webb, general agents of London Guarantee & Accident of which Mr. Haines is U. S. manager. At the Critchell-Miller luncheon the partners and associates of Conkling, Price & Webb were present.

Phoenix Assurance was represented by Manager T. J. Irvine and Assistant Secretary A. C. Hoberg from the head office; T. L. Pusey, manager Cook county and brokerage department at Chicago. Both Mr. Haines and Mr. Irvine spoke in praise of the Critchell-Miller organization and its successful achievements. Other talks were made by H. Lloyd Jones, deputy United States manager London Guarantee; Lew H. Webb of Conkling, Price & Webb; J. R. Robinson, assistant manager Phoenix Assurance. C. S. Pellet, head of Critchell-Miller, responded for the organization. Mr. Haines presented a 75-year bronze Phoenix plaque to Mr. Pellet to be hung in his office. Medallions of the same trophy were presented to each member of the firm, Mr. Pellet, Lyman M. Drake, Jr., F. D. Pellet, Carl Rogers, Joseph Folkers, E. P. Simon and B. R. Horwich. Then the associates were also presented with the medallion, Harold Hilton, manager of the suburban department; Carl L. Goetz, assistant cashier; E. V. Youngberg, cashier; J. W. Nangle, head of the fire underwriting department, and R. F. Lang, assistant cashier.

### SPENCER GOES WITH SHORT

Donald M. Spencer, casualty superintendent American Surety and New York Casualty in Chicago, resigned and has joined with James E. Short, president,



James E. Short



D. M. Spencer

in the Transport Insurance Agency there as vice-president in charge of the agency operations. Mr. Short has been commissioned an ensign in the navy and assigned for training to Sheepshead Bay, L. I. After the war he plans to resume active duty in the agency in association with Mr. Spencer. His draft number was called just after his commission was granted.

### 15 Years' Experience

The Transport Agency will make no change in company representation but will expand further into the general insurance field. It has just been named Cook county, Ill., agent of Gulf for fire and marine. The agency is three years old, having been started by Mr. Short after eight years' general insurance experience.

Mr. Spencer has been in insurance work more than 15 years. He started as assistant cashier in the accident and health department of Great Northern Life in Chicago after graduation from Northwestern University school of commerce. He also attended Carleton College and Chicago Kent College of Law.

Later Mr. Spencer for six years was an underwriter and contact man in the Chicago office of Marsh & McLennan, then was casualty department manager of that firm's Detroit office for four years. He left Marsh & McLennan in 1939 to go with American Surety at Chicago in charge of the casualty department.

### APPRAISAL FIRM CHANGE

Thomas H. Sidley has been named manager in Chicago for Fidelity Appraisal Co. of Milwaukee, succeeding W. H. Keller, who has entered an engineer-

ing business. Mr. Sidley has been with the firm in Chicago three years. Offices have been moved to larger quarters at 20 West Jackson boulevard.

### CHICAGO PREMIUM FIGURES

A number of fire companies which report through several agencies in Chicago have completed the filings with the city controller's office of their fire premiums for the fiscal year ended June 30, so that virtually all companies operating in the city now have made their returns. Several tabulations of comparative figures for 1943, 1942 and 1941 fiscal years previously were printed. The additional figures are:

Alleman's	27,224	28,229	1,463
Asso. Recl. Ex.	1,118	1,723	3,737
United Amer. As'r.	18,587	33,312	28,877
Century	36,869	157,401	144,157
Commonw'lth	157,401	144,157	124,559
Empire State	35,501	32,750	26,719
Halifax	9,146	895	2,778
Homeland	39,631	54,928	28,301
Mfrs. Pa.	8,628	8,180	59,021
Mercantile	102,965	173,935	177,345
Merchants, N. Y.	179,718	90,407	71,102
N. Y. Und.	95,220	192,277	144,533
No. Br. & Merc.	234,880	133,125	127,462
North River	105,420	88,516	106,650
Northern, N. Y.	98,267	4,439	4,697
Pacific Coast	4,439	189,888	176,998
Pennsylvania	196,913	23,623	29,143
Richmond	25,786	6,797	16,205
Service, N. Y.	241	93	988
Southern	1,422	23,783	95,227
St. Louis F.&M.	23,783	101,864	90,116
Standard, Conn.	95,227	2,025	207,348
Stuyvesant	2,025	204,601	204,486
United States	207,348	43,570	43,152
Universal	43,570	1,625	12,056
Wash. Assur.	1,625	12,056	5,382
Western, Kan.	12,056	28,443	25,120
West. Assur.	28,443	124,168	129,322
Westchester	124,168	129,322	102,287

### INSURANCE DISTAFF TEA

The Insurance Distaff Executives Association gave an informal tea Saturday afternoon. Marilyn Babel, who is studying with Mabel Riggs Stead at the Cosmopolitan School of Music in Chicago, entertained with piano selections.

Mrs. Alma Dalmar, immediate past president, will again be hostess at her home in Evanston for the Christmas party, Dec. 16.

L. A. Rose, Chicago agent, leaves this week for Hollywood, Fla., where he owns a residence. He and his family will remain there until next May.

### Easton Loss Appraised

The fire loss on the explosion of the Easton, Pa., gas plant of the Metropolitan Edison Company Oct. 24 was approximately \$150,000 on property owned by the insured and \$50,000 under a provision of the policy covering damage to property of others. Damage to property of others totaled about \$125,000 but it is understood that the excess over the \$50,000 third party liability limit in the fire coverage was covered by an excess liability policy in a casualty company. The fire coverage was carried in the Crum & Forster companies.

### L. J. Schraffenberger to OCD

L. J. Schraffenberger, safety director of Cincinnati, who recently resigned, effective Dec. 31, has been appointed civilian protection officer of the Office of Civilian Defense to head OCD fire prevention work and to be in charge of all civilian defense fire equipment. He will report in Washington Dec. 1, where he will work under Maj. Gen. U. S. Grant III. He has been working to get Cincinnati into class 2 for fire rate making purposes, and hopes to do this before leaving for his new post, and thus getting lower rates for the city.

### SPECIAL AGENT

Here is a man who has been representing fire companies in the Ohio territory for the last 20 years. His present contract allows him to represent a casualty company. Would you like to have your company put in good agencies and your present agents contacted regularly?

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1812



### In Napoleon's Time

The War of 1812 as a military and naval event was of minor account. Our losses were less than five thousand men in a population of eight million; yet the effects of the war on the government and the people were far-reaching. Our independence had been acknowledged on paper but not in practice. After the peace of 1815 America struck out on a new path—a path of full national consciousness.

If you would like a poster-size reprint in color of this naval officer of 1812, together with a descriptive booklet called "Planned Progress" on business development for insurance men, write to:

**Boston Insurance Company**  
**Old Colony Insurance Company**

87 Kilby Street, Boston, Massachusetts

\*The second of a series of illustrations of American men engaged in seven wars.



## W.S.R.A. Program of Transfer to F.I.A. Now Perfected

The applications for membership in the Factory Insurance Association that were made by 11 member companies of the Western Sprinkled Risk Association, have been approved by the F.I.A. members in a mail ballot. The new members will join the F.I.A. effective Jan. 1, at which time the business of the W.S.R.A. will be reinsured in the F.I.A. and the western organization dissolved.

The entire portfolio of W.S.R.A. will be taken over by F.I.A. and the entire personnel of W.S.R.A., numbering about 25 will join the F.I.A. organization.

## Oregon Agents Group Is Planning to Secure Optional "Comp" Act

PORTLAND, ORE.—The newly constituted executive committee of the Oregon Association of Insurance Agents met here and mapped a program of activity for the year, the principal feature of which will be a drive to secure an optional workmen's compensation law. A committee was named to work with other interests in securing unified support for a change in the compensation law: Ferry Smith, Dooly & Co., Portland; H. R. Drinker, Metzger-Parker Agency, Portland; V. J. Robinson, Medford, and Claude Nasburg, Marshfield.

The committee will confer with employers to insure concerted action at the 1945 legislative session. In the 1943 session, proponents of an optional law got a late start so that conflicting measures were introduced and the program fell short of the mark.

President Fred C. Reed was empowered to appoint a committee to make a bid for state insurance business. The committee favored seeking recognition of the association as broker on all the state insurance. The handling of the Oregon liquor control board's insurance will be sought. The committee favors adoption of a permanent program by the state to use the organized agents set-up for writing public business.

G. W. Haerle, state national director, told of the Pittsburgh convention. F. E. Jewett, president Portland association, discussed educational matters. President Reed reported on educational meetings sponsored jointly by the state association and secretary of state's office to inform agents on procedure under the new safety responsibility act. Several meetings have been held and others will follow. A series of educational meetings on aviation insurance, to be conducted by N. K. Masten, Aero Insurance Underwriters, will be staged early in 1944.

## Northeastern Resists Roger Babson Maneuver

Superior Judge King at Hartford heard a motion the other day to quash a mandamus action brought by Babson's Statistical Organization and Roger W. Babson of Wellesley Hills, Mass., who desired to inspect the stock books of Northeastern of Hartford, the fire reinsurance company. Judge King ordered briefs to be submitted. Babson stated they desire to inspect these books in order to transmit to other stockholders information and data which would be of great importance and interest to them and "may lead to improvements beneficial to the corporation and its stockholders." Babson said that his request was refused by Northeastern.

Northeastern in its motion to quash, stated there is no allegation of mismanagement or that the company is doing business in an illegal or improper manner or that any complaint has been

made to the insurance department. Northeastern claims that the Babson move discloses "an intention to interfere with the supervision and regulation of insurance companies imposed by the laws of Connecticut."

## Accountants to Decide on 1944

Officers and directors of the Insurance Accounting & Statistical Association will meet in Chicago Nov. 26-27 to determine whether to hold a conference next year, and if so, to decide on the date and place. L. Earle Wilkins, executive vice-president of Kansas City Fire & Marine, heads the association.

## Month's Salary Xmas Bonus of North America

Announcement of a Christmas bonus to all employees of the North America companies, and a special gift to all men and women of those companies now in the armed services was made by President John A. Diemand.

The 473 members of the armed forces who were North America employees will each receive a \$50 gift and more than 2,700 now on the payroll will receive an 8½% bonus—the equivalent of a month's salary—for those who have been employed the full year. Those

who have joined the companies during 1943 will receive the same percentage, based upon the amount of base salary received.

The companies are continuing the 5% extra compensation payments to offset the higher cost of living, which is paid monthly to all employees.

## Postpone Ill. License Case

The hearing in the case in which Graeme Smith, Chicago broker, is seeking to force the Illinois insurance department to grant him a license, has been postponed by Circuit Judge LaBuy to Dec. 13.



## Come into our Convoy

MANY life underwriters (nearly one-third of our own sales organization) have gone to war. There is ample room for alert general insurance men to enter this field and do themselves and their clients a real service.

Is it worthwhile? The *first year commission* alone of an ordinary life policy in the New England Mutual is often the equivalent of the income from the automobile insurance on 15 or 20 cars, with much less time and trouble involved in the whole transaction.

It's this easy — with *your* regular customers

and *our* ability to meet life insurance needs, all we have to do is to get together.

You needn't undergo any long period of training in life insurance... our nearest general agent has enough experience for both of you. He will be delighted to help chart your course and provide an escort that will take you successfully to your goal.

Why not contact the New England Mutual general agent in your city today? Or write to Wm. Eugene Hays, Director of Agencies, at the Home Office in Boston.

Let us help YOU to a  
new source of income through...

**New England Mutual**  
Life Insurance Company  of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA — 1835

## Kicking Cow Controversy Flares Up in Daily Newspaper Columnist's Grist

Whether a cow kicks forward, backward, sideways, upward or downward seems to be a bucolic mystery which has not been solved. The manner "Old Bossy" uses her feet for defense purposes, discipline or emphasis has not been solved. Much has been in the columns of THE NATIONAL UNDERWRITER since State Agent J. E. Chittenden of the North America in Kentucky challenged the accuracy of the advertisement of the North British & Mercantile which illustrated Mrs. O'Leary's cow kicking over the historic lantern backward.

Mr. Chittenden claimed that he was an expert, a keen observer and an authority on cow kicking. He acquired his knowledge straight from the barnyard and there is nothing about kine that one can tell him. Last week the North British made the kicking cow more famous by producing a most highly fragrant letter from "Elsie," the famous Borden Milk Company cow, telling her own story. That was supposed to be the end of the chapter but now the cow kicking episode has struck the columnists. Allan M. Trout conducts a daily column in the Louisville "Courier-Journal." The cow kicking got into his column Oct. 26 and Nov. 17.

In the issue of Oct. 26, Mr. Trout leads his column with this observation:

"Do cows kick forward or backward? I have two schools of thought on the question, both of them outlined in a letter from J. E. Chittenden, of Louisville, to THE NATIONAL UNDERWRITER, an insurance publication at Chicago. It follows: "Mr. Cartwright, Editor:—In your issue of October 7, page 9, you carry an advertisement . . . depicting the now famous cow of the 1871 Chicago conflagration as upsetting the lantern with a backward kick. As your publication has an enviable reputation for correct reporting and exactness in relating facts, should not the illustration be changed to show the cow as kicking forward, which is the only direction Bossy plants her hoofs?"

"Born and reared on a farm, and familiar with all chores in the barnyard, including milking, I vouch for the correctness of this statement. It is instinctive protection, foiling the suckling snakes of the jungle, and against unwell-

come partakers of the milk bag. J. E. Chittenden."

"Undoubtedly, friends, a scientific question is involved in the dispute between these two apple knockers, Messrs. Cartwright and Chittenden. A cow can kick. There is no quarrel on that point. But does she kick forward or backward?"

"As science editor of the Op. Ed. Page, I am prepared to take either side of the argument and prove same. But I intend to wait and see which side is winning before I jump into the fight."

Seemingly the question was settled so far as Columnist Trout is concerned but a correspondent from Benton, Ky., who claims to be a superauthority on cow kicking, wrote Mr. Trout and in his column appears the following:

"New scientific light is at hand on whether a cow can kick backward. George E. Long, of Benton, who claims to be a barnyard scientist, reports:

"In order to spare you the embarrassment of having sided with either of those city cowboys—Cartwright or Chittenden—I assure you that a cow kicks up and out, employing one leg and two digits. And sometimes it happens that when she accomplishes her purpose, she does not give a darn which digit did it."

"If I may say so modestly, I was born on a farm and reared in the cow shed. Therefore, my statements in this connection are subject to no appeal. They will be corroborated by the multitude of Milkmaids and cow hands throughout the land."

"Thank you, sir. As previously stated, I am prepared to take either side of this argument and prove same. But I deem it advisable to wait until the squabble shapes up a bit."

State Agent Chittenden who started the fracas originally refuses to be downed by these so-called agricultural and barnyard luminaries. Mr. Chittenden writes THE NATIONAL UNDERWRITER as follows:

"I wish to thank you for your very kind publication of my protest against the illustration showing a cow kicking straight out behind. I have been very much amused and interested in the numerous comments which have come in from various sections, some agreeing and some disagreeing with the point I

made. Mr. Higginbotham of Florida for instance, said I was absolutely incorrect; that his cow got loose with a very short rope which he tried to retrieve. When he reached down for the rope he was kicked, and when he regained consciousness the cow was gone. That is hardly good testimony as to how the kick came. Since my position has been assailed I received numerous communications, some confirming and some pointing out the side kick.

"A friend of mine submitted the proposition to Allan M. Trout of Frankfort, Ky., a newspaper columnist, who says he is both a barnyard and a ground hog scientist. Mr. Trout replied he had taken the matter under consideration, and while he stated he could prove either side of the question, he sent me a scroll showing excerpts of barnyard philosophy in which I note an illustration showing how a bumble bee can make a bull jump a fence. Now, I submit if the anatomy of the bovine is such it kicks backward, not forward as I contend, how can a bumble bee make a bull jump a fence?"

"I also received from our advertising manager, Arthur Joyce, a page from the 'Youth Group Publication' of New York reproducing a rare American lithograph of Harry T. Peters regarding the O'Leary cow. No doubt this is a splendid painting. While it appears to be a backward kick, I would judge it to be more of a forward side swing. Besides how could a cow hold her leg up that long for a painter unless it was held up by a rope while the maid steadied the cow from the opposite side to protect her balance? This is, of course, with apologies to a good painting."

M. G. Rolfsen of Austin, Minn., did not inject himself so much in the cow kicking contest but he did offer some advice as a master in horse kicking. He says:

"Just a correction, and then I'll withdraw from the kicking argument. Either my stenographer made the error, or your proof reader did, but instead of

reading 'the horse makes a backward kick with one foot instead of two,' the statement should have read 'as well as with two.' Horses frequently kick with one foot when they are tied in a stall and are approached by someone, particularly if he is a stranger; while outdoors, they usually let go with both feet."

## Illinois High Court Upholds Decision on Adjuster; Not Independent Contractor

The Illinois supreme court has affirmed a circuit court judgment in the case of Toplis & Harding vs. Murphy, director of labor. The case involved payment of compensation to Joseph J. Merkel, who did some adjusting work for Toplis & Harding from 1938 to June, 1940, on an assignment basis. Toplis & Harding contended that Merkel was not an employee but an independent contractor paid stipulated sums for various items of service.

The supreme court in its opinion stated that the record does not show that Merkel was an independent contractor excluded by the act. While he was paid a schedule of compensation for various kinds of work that he did, this appears to have been an arrangement not differing from employment on piece work. No showing was made, the court said, that he held himself out as an independent contractor engaged in the business of investigation for insurance companies, that he did similar work for others, or that he was engaged in an independent trade or business.

Merkel was neither free from control or direction under the terms of his employment, the court added. He was given specific directions as to certain work he was to do and the time in which he was to do it even though the manner was left up to him and he did have to use his own judgment.

## Early Discussions on U. & O. Coverage

The many discussions in Chicago during the autumn of 1917 on use and occupancy led undoubtedly to the stabilization of what was then a brand new insurance coverage. Elliott Middleton, now secretary of the Sun at its head office in New York City, gave a paper before the Fire Underwriters Association of the Northwest in 1917, dealing with use and occupancy and bringing all information concerning it up to date. Undoubtedly that was the stimulus that moved a number of people to take an interest in the subject and several evening meetings were held to discuss it.

### Subject Was Refreshing

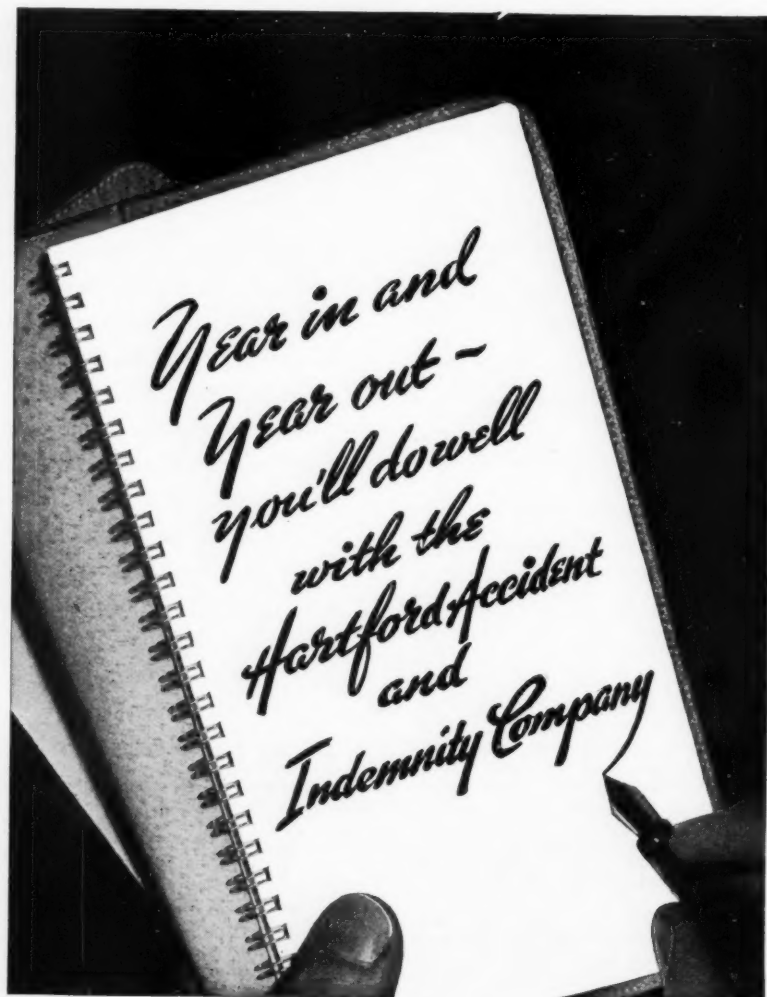
This was a refreshing subject because there were no rules and regulations about it. There was abundant opportunity for underwriters to exert their ingenuity and resourcefulness. Because the subject was one in which there was much flexibility, men took a vital interest in it. There was the incentive to devise forms and get up sales arguments.

Mr. Middleton naturally was one of the leaders in the discussions. Among others who took a prominent part were John K. Walker, North America; M. B. Davidson, Hartford Fire; P. T. Kelsey, Sun; J. V. Parker, manager Western Actuarial Bureau; John M. Thomas, Aetna Fire; W. S. Foster, North America; C. V. Varley, Springfield F. & M.;

C. H. Smith, Hartford Fire; Harvey Bush, Hartford Fire; Ed Smith, Royal; Ralph B. Ives, Aetna Fire; Oscar Wallin, Fred S. James & Co.

### General Committee Named

The interest in the discussion at Chicago inspired similar discussion groups in New York City. That resulted in the appointment of a committee whose duty it was to bring some order out of the chaos of policy forms and in addition to originate some way of computing U&O rates rather than follow the arbitrary system that then prevailed, in making rates at some percentage of the coinsurance building rate. The committee consisted of Ralph Potter, manager New York State Rating Bureau; Louis Weiderhold, manager Middle Department; J. A. Goddard, manager New England Insurance Exchange; Joseph S. Raine, secretary of the Southeastern Underwriters Association; J. V. Parker, manager Western Actuarial Bureau, and Mr. Middleton. The committee had an organization meeting to discuss the subject carefully and then appointed Mr. Goddard and Mr. Middleton to develop the subject further. The subcommittee devised the per diem forms which were used for a number of years. It also evolved a rating schedule for U&O known as the "System for the Measurement of the Use and Occupancy Hazards."





## Protest Lack of Fire Man on Broad Form Committee

Protests have been lodged with the National Board by a number of fire insurance executives on the ground that in the broad form committee appointed by President Harrington of the National Association of Insurance Commissioners there is no strictly fire insurance man. The question involved has been referred to the laws committee of the National Board. Also the objection is voiced that the individual members of the committee do not have the authority to speak for or commit the various divisions of the industry which they represent.

Although the chairman of the committee, John A. Diemand, is president of the North America companies, he came up through the casualty field.

## Canadian P. F. Issue

In view of the fact that the Canadian Fire & Casualty Agents Association at its recent annual meeting voted down a resolution calling for stabilization of the personal property floater form, R. H. Leckey, chairman of the Canadian Inland Marine Underwriters Association, has written to the president of the agents' association asking him to resubmit to members the general principle of stabilization of this class of business. The executive committee of the C.I.U.A., Mr. Leckey said, is concerned with the action of the agents because the association was reorganized and brought into active operation due to a widespread demand from agents and underwriters for some regulation.

## Ventres Now Allyn's Aid

Commissioner Allyn of Connecticut has appointed Fiske H. Ventres of Avon as his executive secretary at a salary of \$3,500. Ventres, who was chairman of the house committee on insurance in 1943, succeeds Ralph Gates of Williamantic, who will return to his former duties as an examiner.

## Give Tips to "Ad" Men on Anti-Inflationary Copy

A work book, containing specific suggestions for advertisers to use in helping to acquaint the public with the dangers of inflation, has been released under the joint sponsorship of the Association of Casualty & Surety Executives and the National Board. This is integrated with the program of the War Advertising Council which assists in marshalling the power of advertising for victory. The volume will be distributed to every national advertiser, to prominent local advertisers and to all agencies and media.

Advertising support of the economic stabilization campaign is expected to move into high gear during December, when the program will receive top billing by OWI.

## Change in Georgia Home

H. L. Williams has resigned as vice-president of Georgia Home to give his entire time to his cotton mill interests, which are running on wartime schedules. He will continue as a director of Georgia Home.

J. W. Pierce, formerly assistant secretary of Georgia Home, who has been on leave in war work for the last year, will return as secretary. He has been with the company since 1923, serving in various capacities at the Columbus, Ga., office to which he will now return.

## Brooklyn Installation Dec. 8

New officers of the Brooklyn Insurance Brokers Association will be installed Dec. 8 at a dinner at the Elks Club.

## Springfield Declares Extra

Springfield F. & M. has declared a special dividend of 25 cents a share in addition to the regular quarterly dividend of \$1.12 both payable to stock of record Dec. 15.

## McKittrick Asks Again for Scheufler Removal

JEFFERSON CITY, MO.—Attorney-general McKittrick Monday renewed his request that Governor Donnell remove Superintendent Scheufler from office. Superintendent Scheufler answered Mr. McKittrick's first letter with a report to the governor in which he pointed out that McKittrick's letter was filled with misstatements. Governor Donnell has declined to comment on the controversy. "I repeat, and respectfully insist that the insurance superintendent has shown undue favoritism to the most gigantic monopoly existing in the United States—the stock fire insurance companies," McKittrick charges in his second communication to the governor.

McKittrick, who is seeking the Democratic nomination for Senator, asked for Scheufler's removal after the latter had written Senator Van Nuys endorsing state supervision of insurance. Mr. Scheufler denied he had specifically endorsed the bills in Congress exempting insurance from the anti-trust laws.

## 55-Year Veteran Retires

George H. MacLachlan, after 55 years in the service of New York Underwriters and New York Underwriters Agency, is retiring on pension. He has been home office adjuster and is widely and favorably known among fire insurance loss men.

Fred J. Bristle, vice-president of W. A. Alexander & Co., Chicago, who was listed as a member of one of the panels at the meeting of the insurance section of the American Management Association in Cleveland, Dec. 2, is unable to accept the invitation because of other appointments.

L. M. Linnell, veteran retired insurance man of Chicago, is spending three weeks as the guest of his son, Thomas G. Linnell, Minneapolis general agent.

## Ill. Equity Rating Order Lifted

The Illinois department's order requiring companies to file and adhere to their automobile fleet rating formulas from Dec. 1 on has been countermanded in letters which are understood to have been sent out this week to the National Bureau of Casualty & Surety Underwriters and to the non-bureau companies. This new development is reported to be the result of instructions from Insurance Director Jones, who is said to feel that no decision will be reached until around March 1 and then only after conferences with the brokers and others interested.

A big factor in the new move is understood to be that the brokers reminded Mr. Jones of the brokers' association's agreement made several years ago with the department regarding departmental attempts to exert authority over equity rating. The agreement was in the nature of an out-of-court settlement of the association's suit questioning the department's authority in this field.

## Garrison Visits Departments

SAN FRANCISCO—Insurance Commissioner Garrison has left for an extended eastern trip. Prior to the convention of the National Association of Insurance Commissioners, he will spend some time in Hartford and Boston, visiting the insurance departments and company offices, and also the New York department.

Following the convention, he may visit some of the other insurance departments in the east and mid-west before returning to California.

H. W. Mullins, state agent of National Fire, Indianapolis, is receiving congratulations on the arrival of a daughter.

The T. J. East agency, Chelan, Wash., has been sold to L. E. Radley.

# Reinsurance

## FIRE AND ALLIED LINES



INTER-OCEAN REINSURANCE

COMPANY CEDAR RAPIDS, IOWA

NEW YORK 90 JOHN ST.

SAN FRANCISCO 114 SANSOME ST.

## EDITORIAL COMMENT

### Meeting Challenge of Public Opinion

Socialization of the problem of old age through the social security act, the drive of the government to transfer insurance from state to federal control in the fire insurance case, and other developments should by now have convinced the insurance business beyond all doubt that it is in the arena of public opinion and must rise or fall by the showing it makes there.

Along with business in general insurance has failed in the past to get its whole story to the public because it lacked a courageous and skillful policy of public relations. The insurance man has been fearful of coming out in the open, of stating his case. He has followed a policy of letting "sleeping dogs lie" in his relations with the public. His instinct has been to keep his story to himself.

His business has been growing in complication, yet his ingenuity and vigor in describing his position and what he does has not kept pace. While politicians and government officials have been hammering at the weak joint in business' armor, and doing it out in the open where the public, on whom they live, could watch, business too often has shrunk back in its shell and rather than run the risk of being misinterpreted and for fear the unscrupulous would turn its own artillery against it, has tended to do nothing. The people business has hired to tell its story—when it has done so—too often, because of limitations placed on them by the business itself, have had to confine their talents to doing publicity, which is not public relations. These people, many of them quite capa-

ble, have been forced to limit themselves to being institutional yes-men.

This policy is reflected in business' relations with the press where business has too often been and is handicapped by a lack of that candor and forthrightness which politicians use so ably to win public approval. The press generally wants the news, and wants it promptly. Few business men know what news is or how to put it in non-technical language that will yet reflect accurately the peculiarities of the business. Another fault has been the unwillingness to take the press into their confidence, or doing it grudgingly, so that the public has made up its mind on the basis of what facts and interpretation were available. This has tended to make the press antagonistic and cause it to take what facts it could get (often those of politicians) and publish them. Even business' own press, of real value only if it is vigorous, honest and intelligent, often has had to limp along, hobbled by an imperious and unenlightened attitude.

The broad social aspects of insurance engender the feeling that the business should be accorded a special consideration, and yet they have been the very factors attracting the jealous and critical eye of government and reformers. The public will be the final arbiter in any contest between insurance and government. The business may lose a round in the Supreme Court, may even lose the important congressional fight now on; yet if it is understood by the public it can win the consideration it must have from that tribunal and the other arenas can be fought in again.

### Another Argument Against Federal Control

The grade of intellectual integrity behind U. S. Attorney-General's contention that the companies are inconsistent in favoring state supervision as against federal control, since they held a contrary position some years ago is not such as to make insurance men look with any greater favor on the idea of a federal agency getting jurisdiction over them. The Attorney-General chose to make much of this change in attitude, contending that it sprang from a desire for a no-man's land to operate in, where neither federal nor state laws could effectively reach the companies' practices.

Mr. Biddle overlooks entirely the fact that a great deal has occurred since the companies shifted from one side of the fence to the other. Years ago the idea of having one authority to be responsi-

ble to rather than having to get along with every state a company was licensed in seemed an inviting prospect. State authorities were sometimes capricious. The general level of state supervision was certainly far below what it is today. However, the insurance commissioners themselves, through their national organization, have been instrumental in curbing wild-eyed notions that would have hurt the companies and done the policyholders no good.

For their part, the companies have learned to get along with state supervision. The existence of numerous separate jurisdictions allowed the companies to apply the law of average to their supervisory problems. One state might go off on a tangent and seriously hamper companies' operations in its area but

it never happened that all states went in for some well-meaning but unsound experiment at the same time.

If the attitudes of the Justice Department and the Securities & Exchange Commission—the agencies that have investigated the fire and life insurance businesses respectively—are representa-

tive of the spirit with which a federal regulatory agency would approach the job of supervising insurance it would be difficult to estimate the damage that could be done before a more conservative administration—either Democratic or Republican—could take over and try to undo some of the harm.

## PERSONAL SIDE OF THE BUSINESS

**Frank N. Julian**, Alabama superintendent of insurance, is considerably improved at his home in Montgomery following a heart attack of about 30 days ago. At one time his condition was considered critical and after notice of his illness was carried in the press inquiries as to his condition came from friends all over the country. He is a former president of the National Association of Insurance Commissioners and has attended about every meeting of the association for 20 years or more.

A testimonial dinner will be given to President **B. N. Carvalho** of Northeastern of Hartford, who is completing 35 years of service with the company and its predecessor, the *Rossia*. Directors and officers are giving this dinner at the Yale Club in New York.

**Arthur M. O'Connell**, Cincinnati, manager Eureka-Security agency, spent last week in New York.

**H. M. Ward**, local agent at Huron, S. D., was in Chicago Wednesday with some pheasants for friends. He was looking for shotgun shells which are extremely scarce in the pheasant hunting country.

**Ralph Whitehouse**, Fort Wayne manager of Underwriters Adjusting, is in the hospital there recuperating from an operation.

**Howard Campbell**, Kansas state agent of Kansas City Fire & Marine, has recovered from a recent appendectomy in a Kansas City hospital and got back on the job in the minimum allowable time.

**R. A. Osborne**, Underwriters Adjusting, Chicago, last week suffered a broken leg in a fall and is confined to his home.

Starting his insurance career in 1893, **Arthur C. Broderick**, general agent in charge of Texas department of Commercial Union, reached his 50th year of service with that organization Nov. 13.

**John L. Dugan** of the Dugan, Humphreys & Co. agency, Louisville, who underwent a rather severe goiter operation some weeks ago, is recuperating on the gulf coast of Florida, where he plans to spend several weeks.

**Ralph R. Chapman**, secretary Corroon & Reynolds at New York, who some months ago was forced to have one of his legs amputated due to a serious infection, is now back at his office for the first time in a long while.

**Morton T. Jones**, president of Kansas City Fire & Marine, attended the gathering of the *Conquistadors del Cielo*, the annual fellowship meeting of leaders in the aviation industry, at Sahuaro Lake Ranch, Mesa, Ariz.

**Clifford E. Pieper**, formerly vice-president of Rhode Island Insurance Company, has been appointed acting

manager at Providence for Connecticut General Life. He has been with that company since 1940 as personal producer in Philadelphia.

Mr. and Mrs. **John G. Reuteman**, Milwaukee, observed their 50th wedding anniversary with a dinner party for their immediate family Nov. 19. Mr. Reuteman is one of the founders and an official of the Dick & Reuteman Co., pioneer Milwaukee agency.

## DEATHS

**Harry B. Wilson**, Irvine, Ky., former president of the Kentucky Association of Insurance Agents, has received official notification from the navy of the death of his son, **Harry B. Wilson, Jr.**, lieutenant (j.g.) killed in action.

**Staff Sergeant Don Reid**, reported missing in the European theater Sept. 15, has now been confirmed as having been killed in action. He was formerly with the J. M. Wilson general agency at Kalamazoo, Mich., for several years. The agency has 15 men in service, two of whom are sons of J. M. Wilson, James, Jr., a private in the anti-aircraft division at Seattle, and Paul, a sergeant and flight engineer in training at Tonopah, Nev. Five men from the agency now are serving overseas.

**Louis M. Clifford**, 64, president of the Home Agency Company, Akron, O., died as a result of a heart attack while hunting.

**Charles U. Victor** of the Charles U. Victor Company, Chicago agency died suddenly from a heart attack at his home. He had a heart ailment for several years. Burial was in West Lawn cemetery. Mr. Victor established his agency in 1920. His wife has been actively engaged in the business for most of the time and will continue the agency.

**Charles D. Thomas**, 45, owner of the H. N. Thomas & Son agency, Bellefontaine, O., died at his home. He had been taking treatments in Dayton for a lung disorder.

**Robert A. Myers**, formerly Akron superintendent of the Ohio Inspection Bureau with which he was connected for 46 years, died there. He retired in 1941. He was active in the Democratic organization in Akron for many years. He was president of the city council for two years beginning in 1909, and served as city safety director.

**S. L. Warden**, 89, veteran local agent of Blockton, Ia., died in Des Moines, following an illness of several months. He had been in the business at Blockton for 45 years.

**William J. Classen**, 51, examiner of Michigan business in the western department of Aetna Fire and a senior under-



## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York.  
EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: F. A. Post, C. D. Spencer.

PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.  
BUSINESS DEPT.: John F. Wohlgenuth, President. Howard J. Burridge, Vice-President and Secretary. John Z. Herschede, Treasurer.

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BOSTON 16, MASS.—944 Park Square Bldg., Tel. Hubbard 8696. R. E. Richman, Vice-Pres.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, W. A. Scanlon, and A. S. Cutler, Associate Managers. J. W. Atkinson, Advertising Manager.

CINCINNATI 2, OHIO—420 E. Fourth St. Tel. Parkway 2140. L. H. Martin, Abner

Thorpe, Jr., and C. C. Crocker, Vice-Presidents. G. C. Roeding, Associate Mgr.

DALLAS 1, TEXAS—526 Wilson Bldg., Tel. Riverside 3383. F. B. Humphrey, Resident Mgr.

DES MOINES 12, IOWA—3233 Grand Ave. Tel. 7-4677. R. J. Chapman, Resident Manager.

DETROIT 26, MICH.—1015 Transportation Bldg., Tel. Randolph 3994. A. J. Edwards, Resident Manager.

MINNEAPOLIS 2, MINN.—500 Northwestern Bank Bldg., Tel. Geneva 1200. R. W. Landstrom, Resident Manager.

NEW YORK 7, N. Y.—123 William St. Tel. Beekman 3-3958. Editorial Dept.—R. B. Mitchell, Eastern Editor; George E. Wohlgenuth, Assistant Editor; Dorothy B. Paul, Editorial Assistant. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

PHILADELPHIA 9, PA.—123 S. Broad Street. Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Mgr.

SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Resident Manager. Miss A. V. Bowyer, Pacific Coast Editor.



writer of that office, died Monday in the office of the nurse who is stationed at the Aetna Fire's quarters. Mr. Classen who resided in the Rogers Park section of Chicago, ran for a train that morning and feeling ill after arriving at the office went to the nurse and died there. He had not had any previous indication of trouble. He had been employed with Aetna Fire for 24 years. He was a brother of G. G. Classen, secretary of Great American in the western department.

**Earl Littell**, special agent of American States Fire, died at his home in Milltown, Ind.

**Sherman Kelly**, 79, of the Kelly Brothers agency, Bryan, O., died from a heart attack.

**C. J. Ingwersen**, 76, local agent at Wyoming, Ia., died at his home.

## Meeting Schedule Is Announced

(CONTINUED FROM PAGE 1)

Subcommittee No. 2. Report of insurance industry committee on multiple lines, J. A. Diemand, chairman. Subcommittee No. 3. Report of insurance industry committee on uniform countersignature law, Ray Murphy and Walter H. Bennett.

4:30-5 p. m., Room B. Real estate appraisals and appraisal forms committee, Viehmann, Indiana, chairman.

1. Report of life insurance industry on uniform farm appraisal blank.

2. Review of real estate rules adopted by the association in 1940 with view of necessary changes.

5-6 p. m., Room A. Committee on life insurance, Kavanaugh, Colorado, chairman.

1. Interest allowance on dividends and principal sum left with the company.

2. Consideration of United States Treasury recommendation limiting income on life insurance salesmen to \$5,000 or 1942 income, whichever is lesser. (Requested by Zone 4.)

**Tuesday, Nov. 30**

9-10 a. m., Room A. Committee on unauthorized insurance, Burt, South Dakota, chairman. Consider Superintendent Scheufler's proposition on mail order companies.

10-11 a. m., Room C. Committee on interstate rating and irregular underwriting practices, Graves, Arkansas, chairman.

11-12 p. m., East ballroom. Full session, Commissioner Harrington presiding. "The Responsibility and Opportunity of Insurance" by Judge John B. Gontum, former Maryland commissioner.

Reports of committees.

Other business.

12-1:00 p. m., East ballroom. Executive session of association.

2-3 p. m., Room C. Examinations committee, Read, Oklahoma, chairman.

1. Examinations by accounting firms. (Requested by Zone 4.)

2. Holiday pay for insurance examiners. (Commissioner Kavanaugh and Zone 1.)

2-3 p. m., Room A. Blanks committee, Robinson, Ohio, chairman.

1. Recommendation for capitalization of interest accumulations on government bonds, Viehmann, Indiana.

2. Treatment of income tax item. (Requested by Zone 4.)

3. Amendment of annual statement blanks for reciprocals. (Requested by Zone 4.)

4. Treatment of investment expense. (Requested by Scott Harris.)

5. Divide contract of sale and real estate owned. (Requested by Zone 4.)

3-4 p. m., Room B. Casualty and surety committee, Bowles, Virginia, chairman.

3-4 p. m., West ballroom. Committee on interpretation and complaint (subcommittee of fire and marine committee), Carroll, Rhode Island, chairman. Matter submitted by Joseph, Bill.

4-5 p. m., Room A. Fire prevention committee, McCormack, Tennessee, chairman. Report on state's war inspection service.

4-5 p. m., Room C. Group hospitalization and medical services committee, Neel, Pennsylvania, chairman.

1. Discussion of monetary payments by hospitalization plans where hospital service is not available. (Requested by Zone 4.)

2. Consider suggestion of Zone 4 concerning a survey of group hospital and medical service plan laws.

3. Consider recommending that laws

and legislation committee authorize the preparation of a uniform law. (Requested by Zone 4.)

5-6 p. m., Room A. Committee on social security, Scheufler, Missouri, chairman. Report of survey on possible effect of social security on private carriers.

5-6 p. m., Room B. Fire and marine committee, Williams, Mississippi, chairman. Cargo insurance problem. (Requested by F. J. Viehmann.)

5-6 p. m., Room C. Fraternal committee, Sullivan, Washington, chairman. Desirability of revised fraternal code.

**Wednesday, Dec. 1**

9-10 a. m., West ballroom. Committee on taxation, Holmes, Montana, chairman. Allocation of taxes on business written on members of the armed forces, or on territory under control of United States government. (Requested by Zone 4.)

9-10 a. m., Room B. Committee to confer with federal government, Johnson, Minnesota, chairman. Agenda to be announced.

9-10 a. m., Room C. Workmen's compensation committee, Hodges, North Carolina, chairman. Compensation rating program.

11 a. m., East ballroom. Final session. Reports of committees.

## Missouri Case Is Now Entering Final Stages in Its Long Crusade

What are reported to be the final steps in the ouster suit of Attorney-general Roy McKittrick of Missouri against the fire companies, before the case goes to the state supreme court for adjudication, consist of two brief hearings, one in Chicago last week for 2½ days, and the other in St. Louis for two or three days beginning Dec. 6 at the Hotel Statler. During these hearings the companies' attorneys are putting in direct testimony. Kent H. Parker, assistant manager of the Western Actuarial Bureau, Chicago, was the principal witness at the hearing there, and he explained the Dean analytic system and how it is used. Russell B. Hobbs, manager of the Western Actuarial Bureau, appeared briefly. The witnesses at St. Louis are expected to be from the Missouri Inspection Bureau. The commissioner then may call for briefs and oral argument before he prepares the record for the court.

Counsel for the companies consisted of Homer H. Berger and David A. Murphy of Kansas City and Fred L. Williams of St. Louis; George W. Crowley and Max Wasserman represented the attorney-general and cross examined Mr. Parker. Commissioner Windsor presided.

## Royal Exchange Executive Makes Visit to U. S.

R. E. Oldfield, assistant general manager at the head office of Royal Exchange in London, has arrived in this country for a brief visit.

## Cox and Hamm in Change

Robert F. Hamm of the Indiana state fire marshal's office has succeeded E. T. Cox in the Indiana Inspection Bureau, who went with the fire prevention division of Western Actuarial Bureau, Chicago, succeeding the late J. Burr Taylor.

## Buys Full Control of Agency

W. T. Funkhouser has purchased the interest of F. B. Smith in the Funkhouser-Smith general agency of Springfield, Ill. The agency will continue to operate under the same name and there are no other changes being made. The agency has been successfully operated since it was organized 15 years ago by Mr. Funkhouser and Mr. Smith.

Mr. Smith has not announced his future plans except to state that he is moving to California.

## Jansen Addresses S. I. Group

E. L. Jansen, manager of the Staten Island office of Home, spoke at a meeting of the Richmond County Association of Local Agents at St. George, Staten Island.

## Late Casualty News

### Maryland Is Commuting Its Interest Obligation

Maryland Casualty is taking steps to reduce its future charges as a result of guaranty as to interest only to Dec. 1, 1953, of debentures. Ten of the 14 original debenture corporations have exhausted their assets through the purchase of debentures and this leaves \$4,600,750 of debentures outstanding with no possibility of recovery except on the guaranty of interest by Maryland Casualty.

Maryland has made a cash offer of \$350 for each debenture of \$700 face value and set aside \$1,750,000 for that purpose. This amount would purchase about three-quarters of the total outstanding debentures.

### Kerns N. Y. Claim Manager

Carroll L. Kerns has been named manager of the New York claim department of Manufacturers Casualty.

Mr. Kerns gained his early experience with Maryland Casualty, Keystone and Penn General. Joining Manufacturers in 1936 as claim manager at the Pittsburgh office, he was transferred early this year in charge of claims in Chicago and later to the position of assistant claim manager at New York.

### Ritter to General Accident

W. H. Howland, manager of the accident and health department of General Accident, announces that Harry E. Ritter, Jr., has joined the home office staff of that department and will be in charge of production for the monthly premium division.

Mr. Ritter is well-known in Philadelphia insurance circles where he is president of the Accident & Health Association. He goes to General Accident with a background of considerable ex-

perience, both home office and in the field. He has recently been assistant agency manager of National Accident & Health of Philadelphia. Mr. Ritter is a native of Harrisburg, Pa., and his father, Harry E. Ritter, Sr., was for many years connected with the Pennsylvania insurance department in that city.

### Cal. "Comp" Hearing Nov. 29


SAN FRANCISCO—In a continuation of the investigation into practices and procedure of workmen's compensation writing companies in California, a hearing will be held, Nov. 29 at the San Francisco offices of the insurance department, covering operations of Industrial Indemnity Exchange.

The hearing will be in charge of Frank Fullenwider of the department, who worked with former Commissioner Caminetti in the original proceedings, and later with Grant B. Cooper prior to his resignation as chief assistant commissioner. It is in line with the announced intention of Commissioner Garrison to continue these investigations and hearings to the extent necessary to establish a complete record of the various competitive practices in the field of workmen's compensation and the remedies best suited to avoid any abuses which are disclosed.


### O'Connor in Pacific Northwest

E. H. O'Connor, executive director of the Insurance Economics Society, addressed large crowds of insurance and business leaders in Seattle and Portland on the threat of expansion of social security.

Robert M. Sohngen, senior member of the law firm of Sohngen, Parrish & Beeler, Hamilton, O., has been elected a director of Ohio Casualty and Ohio Insurance Company. He succeeds his brother, the late Arthur M. Sohngen.



# SOUND SOLID SUCCESSFUL

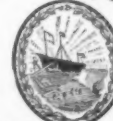


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CAPITAL \$3,000,000

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### III. Bankers Life Stock to Be Sold in Court Dec. 21

**Martin and Sawyer  
Estates Lose Shares and  
Woods Estate Penalized**

Although the judgments contained in the decree entered last Saturday by Circuit Judge Miner of Chicago in the Illinois Bankers Life case have an apparent gross value of some \$2,500,000, it is entirely unlikely that there will be recovered anything beyond the stock of the Monmouth company from the estates of Hugh T. Martin and A. T. Sawyer. Judge Miner ordered the stock, 80% of which is in the Martin estate and the balance in the Sawyer, to be given up and he appointed Attorney Charles O. Rundall of Chicago as trustee and special commissioner to sell the stock in open court to the highest and best bidder Dec. 21.

In addition Judge Miner gave a money judgment of about \$700,000 against the Martin estate and a judgment of \$160,000 plus interest at 5% against the estate of W. H. Woods, who was president of Illinois Bankers. But, it is understood, the Martin estate possesses no assets other than the stock and that the Woods estate is in no position to satisfy the judgment or any substantial part of it.

#### Embraces Compromise

The double decked judgment as to the Martin estate seems to embrace a compromise of conflicting positions on the part of Attorney Vernon Loucks of Chicago who started the action in behalf of policyholders of the old Illinois Bankers Life Association, predecessor assessment company, and on the part of Attorney E. R. Johnston, who intervened for the company itself.

Mr. Loucks wanted a decree under which the stock would be recovered for the policyholders of the assessment company, while Mr. Johnston wanted a money judgment against the Martin estate. The final decision was to include both types of judgment, but the stock, it is stipulated, shall be sold "for the benefit of Illinois Bankers Life Association or its policyholders as of Nov. 19, 1929, equitably entitled to the same," while it is provided that the present Illinois Bankers, the legal reserve company, "shall hold, handle, or distribute" as the court may decree the sums collected upon the money judgment as to Martin.

Inasmuch as the Martin estate has no resources beyond the stock, it is assumed that when the stock is sold, the present Illinois Bankers Life will seek a lien upon the proceeds of the sale of the stock so as to share in the recovery.

The decree provides that the Sawyer stock and the Woods judgment is to be for the benefit of the assessment policyholders.

#### Value of Stock

Assuming that the stock is sold at \$800 a share the Martin stock would bring \$1,280,000. If Illinois Bankers should be given a lien for \$700,000, that would leave \$580,000 for policyholders of the assessment company. The latter would also get \$320,000 from the Sawyer stock plus whatever might be recovered under the Woods judgment.

The fund will, of course, be reduced by lawyers fees and other expenses and the possibility is seen that in the windup some allowance may be made to the three estates. Throughout the proceed-

### Leaders at C.P.C.U. Luncheon



Group at New York luncheon given by trustees of American Institute of Property & Liability Underwriters at which C.P.C.U. diplomas were given to three successful candidates:

F. A. Christensen, vice-president America Fore; H. C. Conick, assistant U. S. manager Royal; W. E. McKell, president New York Casualty; Kenneth

Spencer, president Globe Indemnity; J. A. North, vice-president Phoenix of Hartford, institute president; J. B. Miller, secretary National Association of Insurance Agents; Dr. H. J. Loman, dean; A. C. Goerlich, educational director N. Y. Insurance Society; Julian Lucas, president Davis, Dorland & Co., N. Y.; J. F. Gilliams, vice-president Camden.

### Favorable Rulings on A. & H. by War Labor Board Office

CINCINNATI—The W. E. Lord Agency has received two favorable rulings from the War Labor Board regional office on applications for clients to pay accident and health premiums without such premiums being considered an increase in salary under present regulations, according to the Accident and Health Bulletins, published by the National Underwriter Company.

Both cases were acted upon quickly. In one the regional board released its opinion in 14 days, in the other 20 days.

The applications specifically pointed out to the WLB that the insurance was on individually written policies which would cover all employees, except some comparatively few who would be rejected for physical and other reasons.

In one case the company paid the entire premium. In the other case the company paid half the premiums for most of the employees but for specified six top executives company paid the entire annual premium.

The application was so worded to bring out the fact that the policies contained no cash value provisions. Principal sum and dismemberment indemnity, monthly or weekly indemnity, expense reimbursement and hospitalization provisions were included. When making the ruling the WLB noted that premiums in no case exceeded 1 1/2% of the employee's salary. They then gave permission for the company to pay its employees premiums for such individually written accident and health policies saying that such payment of premiums would not be considered an increase of salary which is prohibited under present war regulations.

#### Addis Manager for A. & C.

Accident & Casualty has appointed R. M. Addis as manager at Pittsburgh. Mr. Addis has had a long and broad experience in the business. Most recently he has been Pittsburgh manager of Manufacturers Casualty.

ings, the opportunity had been afforded to the Sawyer and Martin estates to deliver up their stock and receive one-third of the proceeds when it was sold. On the day that the decree was entered an attorney for the Martin estate made a motion to vacate the decree, which was denied, and attorneys for the Sawyer and Woods estates entered an objection that the decree deprived the administrators of property without due process of law. It may be that the attorneys may be able to save something for their clients by refraining from taking an appeal.

### N. Y. Department to Hold Hearing on "Comp" Plan

NEW YORK—The New York department has decided to hold a hearing on the stock companies' proposed four-option workmen's compensation rating plan and will probably announce the date within a few days.

The stock company plan and the modification of it under which the mutual carriers added their own plan to that of the stock companies both failed to gain the approval of the New York State Workmen's Compensation Rating Board. The stock company proposal has been on file with the department for several months and it was thought that a hearing would be held on it. However, the matter was held in abeyance when the mutual companies submitted their version.

### Vandenberg Seeks to Freeze SS Tax at Present Rate

WASHINGTON—Senator Vandenberg of Michigan has renewed his effort to freeze the social security old age pension payroll tax at the present 1% rate for 1944. He will offer an amendment to the revenue bill. Indications were that he may receive sufficient support in the Senate finance committee to insure success of this move. Meanwhile the committee postponed hearing organized labor representatives on the social security tax question.

Vandenberg had withheld decision on the question pending study by finance committee experts and a report from the Treasury Department. Simultaneously with announcement of his position, Representative LeCompte, Iowa Republican, introduced a bill to freeze the payroll tax, and announced:

"There is no sense in increasing the assessments, since the program has taken in nine times as much as has been paid out on old age insurance benefits."

Vandenberg said he was "unable to find any reason, related to the maintenance of adequate reserves for existing old-age benefits for doubling these payroll taxes on workers and employers next January."

"There may be reasons unrelated to old-age benefits," he admitted, "which recommend the 100% payroll tax increase—such as a flank movement against inflationary trends. No matter how important other purposes may be I shall always be unwilling to use social security taxes for any thing but so-

### Warring Boiler Factions Make Pacific Move

**Reach Agreement on  
Principles and Start  
to Work Out Details**

NEW YORK—The National Bureau of Casualty & Surety Underwriters, Hartford Steam Boiler and Employers group companies have reported to the New York superintendent that they are agreed in principle upon a solution of the fundamental differences which have existed in the boiler and machinery business and have started to work out the details. Within a short time revised filings will be made with the New York department for its consideration and it is the belief of the parties that this solution will conform to the recommendations made by the department.

The solution embraces New York only but it offers the possibility of countrywide application.

### Soldier Auto Risk Results Refute Early Fears of a High Claim Ratio

The underwriting theory that was prevalent in the early days of selective service that soldiers' cars were an extremely undesirable type of risk has been disproven by experience. Underwriters felt that a soldier with a car at or near camp would be as poor a risk as a college student with a car on the campus. Students were notoriously poor risks. They used their cars largely for parties and their friends in the fraternity or dormitory frequently borrowed the car so that the insurer never knew who the operator was to be.

The companies generally took a resistive attitude towards soldier risks and wrote only what they were required to write for agency reasons. The experience, however, has been entirely satisfactory and it is not nearly as difficult to get the insurance.

#### Michigan Case Again Delayed

LANSING, MICH.—Due to the belated filing of a petition of intervenor, another postponement was necessary in the often-delayed test suit to determine constitutionality of Michigan's 1943 revision of the financial responsibility act. The case now is set for Dec. 7. The intervenor is Henry B. Taliaferro, colored Detroit attorney, who represents several clients, including one affected by the law, since the accident in which he was involved a week after the act's effective date.

cial security benefits. We are not entitled to use such taxes to finance any part of the war."

It develops that \$1,130,000,000 in federal payroll taxes was collected in the fiscal year ending June 30, while \$149,000,000 was paid out in benefits and \$27,000,000 for administrative expenses. The remainder went into reserves, bringing them to a total of \$4,430,000,000 last June.

The policy was adopted by Congress in 1939, according to Vandenberg, of maintaining a social security reserve three times greater than the heaviest annual costs in five years. The senator said the present reserve is about 11, instead of 3, times the low annual cost estimate and more than 5 times the highest estimate for the five year period.

## Spirited Hearing on Mass. Rates

### Harrington Criticized for Proposed 1944 Compulsory Auto Liability Schedule

BOSTON—Commissioner Harrington's tentative rates for compulsory automobile liability insurance for 1944, based on gas ration cards, to produce a reduction of \$10,000,000 in premiums, received the severest criticism in many years at the hearing held at insurance department headquarters here.

Judge Frederic H. Chase, representing the stock casualty companies, charged the commissioner with "guesswork" in making the rates. "The companies object to the rates," Mr. Chase declared, "because your reductions are based not upon experience but upon guesswork backed by many suppositions that no one can prove. You based the rates for this year on the supposition that the war would continue through 1943, and you guessed right that time. And while there is yet no experience to show that you were right or wrong in your rates for 1943 you again follow the same plan in making rates for 1944, and again it is guesswork as to whether or not the war will end in 1944."

### Rates Held Grossly Inadequate

"The rates as given for 1944 are grossly inadequate for peace time conditions. If the war ends in 1944 the companies will suffer greatly as a result of your proposed schedule. Whenever the war does end, and we are nearer that now than we were a year ago, such rates will leave the companies bearing a great burden. There are no assurances that the conditions of today will prevail in 1944. There have been many changes in 1943 affecting the operation of cars. All cars are a year older, they cannot be replaced, they are not in so good condition, replacements are difficult and there is the wear and tear on tires and engine, not to mention the greater communal use of vehicles, a surfeit of use. The companies must bet the war will not be over on your rates."

"The chances of the war ending before the end of 1944, should be balanced with a little more equitableness," Mr. Chase pointed out.

Elias Field, counsel for the Motor Truck Club of Massachusetts, objecting to the increase of 12½% in truck liability rates, held there is not sufficient evidence to warrant such an increase. Trucks are a necessity in war work and the new rates for 1944 would add half a million dollars to the cost of living.

### Companies Not Seeking Raise

"On Sept. 9 the bureau, representing 53 casualty companies, met and voted to recommend to the commissioner that no increase in rates for trucks be made over the 1943 schedule, and yet you announced an increase of 12½%," Mr. Field pointed out. "If the insurance companies do not want an increase they must be satisfied with the rates and the experience and why should they then be increased? Trucks do not present any greater problem for 1944 than they have in 1943. In fact, there will be further curtailment of trucks in 1944. The Church Company experience, with 50 trucks, showed a 49.2% reduction in accidents for seven months of 1943 as compared with 1942."

"It should be remembered that the charges of trucks are regulated by three federal bodies and the truck owners cannot meet extra and unwarranted insurance charges. They will have to go out of business and if they go out of business that means serious interference with war work and transportation, which is now most important. You are threatening a very vital war necessity

## Now Vice-president of Preferred Acc. Gives Background of Social Security

Arthur C. Bohen, who was elected vice-president of Preferred Accident and Protective Indemnity by the board of directors last week, was named as-



ARTHUR C. BOHEN

sistant treasurer in 1929 and was elected treasurer in January, 1937. Since then he has devoted much of his time to the production end of the business. Mr. Bohen is well known in the casualty field and is popular with agents throughout the country.

## Eaton Goes with American Casualty

William C. Eaton, who resigned recently as manager at Chicago for Massachusetts Bonding, has joined American Casualty of Reading, Pa., in an executive underwriting capacity.

Mr. Eaton went to Massachusetts Bonding as manager in July, 1942, from the U. S. head office of Zurich, with which he had been connected 22 years. For more than nine years he had served Zurich as superintendent of the underwriting department.

Mr. Eaton long has been regarded as an outstanding authority on casualty underwriting matters, particularly workmen's compensation, and he had served on some of the committees of the National Bureau of Casualty & Surety Underwriters.

in thus burdening the truck owners," he declared.

William H. Marple, Roxbury, urged the commissioner "to allow the territorial classification (there are 16 zones in the state) to go the way of the late unlamented W X Y classifications and permit us to see if the A, B, and C at the other end of the alphabet gets a square deal by allowing the compulsory automobile insurance law to function unhampered by tradition, guesswork, chaos or political timidity."

"Mileage is the most important factor in accident frequency," Mr. Marple declared. "However, all your logic goes out the window when the holder of a 'C' gas ration book in Belmont, Melrose, Milton, Newton and Winchester, who has the privilege of driving as much as 1,500 miles a month, who may come to Boston every day and drive to the Cape, Berkshires or White Mountains on Sunday, pays a rate of \$26.10, which is 70 cents less than a Boston 'A' card holder pays just to attend religious service on Sunday or go out Saturday to buy his Sunday dinner."

Employers Mutual Casualty of Des Moines has been admitted to Oregon. Carter, MacDonald & Co. of Seattle will act as general agents.

## W. R. Williamson Points to Many Non-Governmental Factors

NEW YORK—Social security hasn't been just a governmentally administered, governmentally subsidized form of protection but has been developed from many factors, most of them non-governmental, said W. R. Williamson, actuarial consultant of the Social Security Board, in the paper which he presented at the annual meeting of the Casualty Actuarial Society.

Further improvements of social security require a more complete understanding of how it came to be as it is, and its further growth will require knowledge, understanding, and a very practical idealism, Mr. Williamson declared. His paper was a comprehensive analysis of the American background of our social security system, making only cursory reference to the foreign precedents which have also helped to shape much of existing social security legislation in the U. S. Mr. Williamson made it clear that the opinions he was expressing were his own and did not necessarily represent the views of the Social Security Board.

### Must Reflect U. S. Background

Social security, he said, must reflect the essential American backgrounds from which it has sprung and the essential American pioneering spirit which has been the strength of the country from its inception. Mr. Williamson listed the following American factors in the background of social security: Savings ranging from banks savings to outright speculation; insurance; the family; the labor movement; the employer, with his various insurance, retirement and other welfare plans; politics and government; subsidy; relief; conservation and prevention; the basic self-sufficiency and dignity of the American citizen.

There is some evidence that in addition to these factors there is the further factor of inherent vigorous employment, well directed by men more skilled in management, financed by that inspired altruism called capitalism, which has much of the credit of the enviable material position of the American people, Mr. Williamson said.

"Social security, dealing so largely with the catastrophes within our individual life histories, is, of course, subordinate to the basic working genius of the nation," he said. "It can apparently, particularly in the abnormal conditions of a depression or a war, represent the thinking of a very limited group of people and in those abnormal times any failures to represent the entire people may go temporarily unchallenged. As the nation outgrows warlike conditions, as it outgrows those continuing controls of the early post war years, having social security represent any fractional part of the community is unthinkable."

Mr. Williamson said that as a consequence of individual equity which results in linking benefits to wages, extensive record keeping operations have been built up as well as a rather complicated set of eligibility requirements. Furthermore, while practically limiting the coverage to employees of industry and commerce, the American freedom of movement leaves a large number of citizens working part of the time in those employments covered by the act and part of the time in other employments. Thus extensive records are built up which do not represent the record of total personal accomplishment even in terms of earnings, but only that limited part of the accomplishment which is within "covered employment."

It is noteworthy, he said, that in the much more comprehensive systems now being recommended in England and al-

## Calls for Massive A. & H. Distribution

### Only by Increased Sales Can Federal Cover Be Averted

PHILADELPHIA—In a talk before the Philadelphia Accident & Health Association, Irvin Bendiner, well known life insurance man, spoke about the Wagner-Dingell bill and some of its consequences should it become law.

"What is objectionable about the bill?", he asked. "Is it that you are afraid of your livelihood and your commission earnings, or the type of service the government would render the public?" The American public must have some form of adequate protection against the hazards of life, no matter whether it is by private insurer, Blue Cross or governmental agency. All of these use or would use the principle of insurance which is to spread to cost of protection over the country. In private profit or non-profit organizations, the competitive spirit fixes the level of rates. Under government regulation this would not prevail.

Mr. Bendiner cautioned that should this bill fail to pass, it would only be a forerunner to similar bills to follow in years to come. The best way to combat such legislation is to find out what the people think and want, talk to them in terms of their own individual problems. Find out what the masses want and do something about it. A hopelessly inadequate number are now covered by some form of accident and health. From this showing, he asked, is A. & H. really important. "Is there room for the American agency system? If not, what are we objecting to?"

Certainly the principle of insurance is there, he said. Protection is vital if medical care or hospitalization is needed. The public needs to be protected. "Do we want medical care and hospitalization by regimentation, or is it only important to you in the form of commissions? You are not an effective force unless you are doing an effective social job. Your job is to spread the gospel of A. & H. fast and spread it fast enough so that legislation won't be necessary. Legislation is plausible, but not sincere. Recognize your inherent weaknesses and normal lassitude and do something about it."

Should this bill come to pass it would mean that one-fourth the proposed 12% tax collected from employers and employees, which if based on an approximate income of \$100 billion, or \$3 billion a would be taken as the ultimate cost of medical and hospital insurance. This, of course, would come out of the payrolls and with deductions as they are today and growing more and more and paychecks lesser and lesser, payrolls become an exchange of promises for medical care, hospitalization and old age. "Can our economic structure stand such a grandiose scheme? You can readily understand what this would mean to the American agency system."

"We need a massive distribution of our merchandise to private homes to justify our existence and commissions."

ready adopted in New Zealand the consideration of personal dignity is cited as the reason for uniformity of treatment regardless of contributions.

### Wells Heads N. Y. Surety Group

NEW YORK—The Surety Underwriters Association of New York will have as its guest speaker at its luncheon Dec. 2 H. W. Schaefer, prominent broker. J. R. Wells, Employers Liability, was elected president at the annual meeting. Other officers are J. B. Rooney, Indemnity of North America, vice-president; T. I. Hall, Employers' Liability, secretary.

L. S. Shumaker, local agent of McMinnville, has purchased the C. S. Lewis agency, Dayton, Ore.



## Argue "Comp" at Texas Hearing

**Companies Overcharge, Buyers' Representatives Say; Debate Practices**

AUSTIN—The Texas commissioners have always sought advice and welcomed suggestions but so far most of the help has come from insurers who gave information most favorable to their own selfish interests; but henceforth buyers will be represented at every hearing and the other side of the picture will be exposed, Carl B. Calloway, Dallas attorney, said at the hearing on workmen's compensation insurance here. The commissioners have done a good job even though buyers have given no assistance in arriving at proper rates in Texas, he said.

Mr. Calloway said he was the legal representative of the central committee of the Texas State Manufacturers Association and nine other trade associations, and that their actuary, A. J. Branscom, was prepared by charts and statistics to show that in the last six years compensation insurance carriers had received \$20,000,000 more than they were entitled to by the rating formulas.

### Didn't Figure in Losses

Mr. Branscom, who has been actively soliciting funds from Texas employers to reduce compensation rates and to revise the compensation laws, presented exhibits to show that when the proposed rates are applied to predicted 1944 payrolls, companies would make about \$4,979,000 more than the formulas contemplated. Questioned as to how he arrived at his conclusions, he finally admitted that he had not taken into consideration the increased losses that would accompany the increased payrolls.

### Made Figures "Look Good"

Both Mr. Branscom and Mr. Calloway admitted that their figures were chosen with the idea of making their argument more convincing but said that if they were in error, they wanted to be corrected.

Casualty Commissioner J. P. Gibbs asked if the insurance buyers had a better formula of arriving at proper compensation rates and was told that there was no specific criticism of the methods used but that buyers were just paying too much and it was up to the commissioner to come to their relief. Mr. Gibbs then reminded the large crowd of insurance company men, local agents,

and others at the hearing that since the inception of the workmen's compensation act, the insurers had taken an aggregate loss of some \$6,000,000, and that most business men and firms were making money in 1943.

President Austin F. Allen of the Texas Employers Association and Mr. Branscom differed on several statistical matters, and representatives of stock and mutual companies also questioned much of the statistical evidence produced to show that insurers were making huge profits on compensation in Texas.

### Skelding and Sawyer Appear

A. Z. Skelding, actuary of the National Council on Compensation Insurance, explained how the rates and formulas were produced. E. W. Sawyer of the National Bureau of Casualty & Surety Underwriters was called on by Commissioner Gibbs but he took no part in the arguments. He merely cited the necessity of the companies receiving adequate rates to guarantee the solvency of all carriers. Mr. Skelding said that the compilation of statistics had been speeded up by using two years of experience instead of five and said a simplified rate making procedure was necessary to prevent the entire collapse of statistical data in these abnormal times.

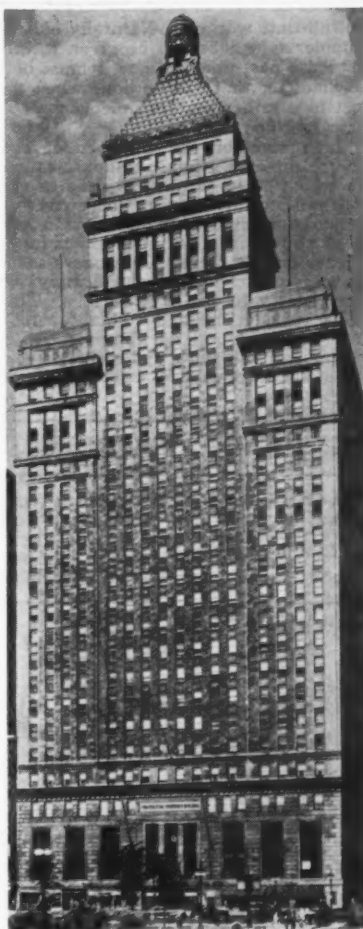
### Prohibition of Certain Practices

Commissioner Gibbs then asked for reasons why the commissioners should not:

Prohibit premium surcharge waiver agreements under retrospective rating plans or prescribe a premium waiver table; prohibit "cost-plus" plans and "stop-loss" plans; require participating companies to file plan of operation and scale of proposed dividends for approval by the commissioner in the form of an endorsement to be attached to each policy of the carrier, and prohibit the use of any plan, contract, agreement or resolution not specifically prescribed or authorized by the commissioners.

Then the attorneys for various participating carriers had a field day. Some argued that the commissioners were exceeding their jurisdiction and trying to interfere with the contractual rights of buyers. Stock company attorneys argued that unless a premium waiver table is established in Texas, commissioners will lose all control of compensation rates. For the most part they agreed with Mr. Gibbs' contention that dividends are a definite part of the rates in that whatever dividends were returned to the buyer reduced his premiums by that amount. Mr. Gibbs explained that it is the commissioner's

## Future Home



Above is shown the 29-story building which Continental Casualty, Continental Assurance and Transportation plan to occupy in part in 1947 as their home offices. The building faces Lake Michigan from its location at 310 South Michigan boulevard. It has now been renamed the Continental Companies building.

duty to see that the public receives equitable treatment and that dividends not be used to defeat the state rating laws. He said the final decision of the commissioners on matters discussed at the hearing would be made soon and publicly announced.

## National A. & H. Program Announced

**Speakers Listed for Association's Winter Meeting in Des Moines Jan. 11-12**

DES MOINES—The completed program for the winter meeting of the National Association of Accident & Health Underwriters here Jan. 11-12 has been announced by Martin L. Seltzer, General Accident, president of the Des Moines association.

The executive board of the National association will meet at 10 a. m., Jan. 11, and the Leading Producers Round Table will hold a closed meeting at 10:30 a. m. with Gilbert H. Knight, Federal Life & Casualty, Cleveland, its chairman, in charge.

At 11 a. m. the Round Table will stage a debate on agency problems, open to all members.

Homer J. Bisch, National Casualty, Toledo, president of the National association, will preside at the luncheon session Tuesday at which President Henry G. Harmon of Drake University, Des Moines, will give the principal address.

### Forum Tuesday Afternoon

An agents' open forum will open the session on Tuesday afternoon with A. M. Holtzman, Mutual Benefit Health & Accident, Rochester, N. Y., as chairman and 10-minute talks on these subjects: (1) Prospecting; (2) approach, C. F. Lundquist, Fred S. James & Co., Chicago; (3) presentation, F. Glenn Packwood, Massachusetts Bonding, Kansas City; (4) meeting objections, Robert J. Costigan, Business Men's Assurance, Kansas City; (5) motivation, O. H. Goodrich, Interstate Business Men's Accident, Indianapolis; (6) closing, Robert J. Barrett, General American Life, St. Louis.

A meeting of the national council will be held at 4:30 p. m., following the open forum, then a smoker for delegates at 5 and the banquet at 6:30 p. m. Mr. Seltzer will be toastmaster. Greetings from the Iowa department will be given by Commissioner Fischer and Gardner Cowles, Jr., publisher of "Look" magazine and prominent newspaper and radio executive, will give the principal address.

The Wednesday session will start with an 8 a. m. breakfast for regional directors, officers and committee chairmen of the National association. Clarence A. Sholl, Globe Casualty, Columbus, O., vice-president, will preside.

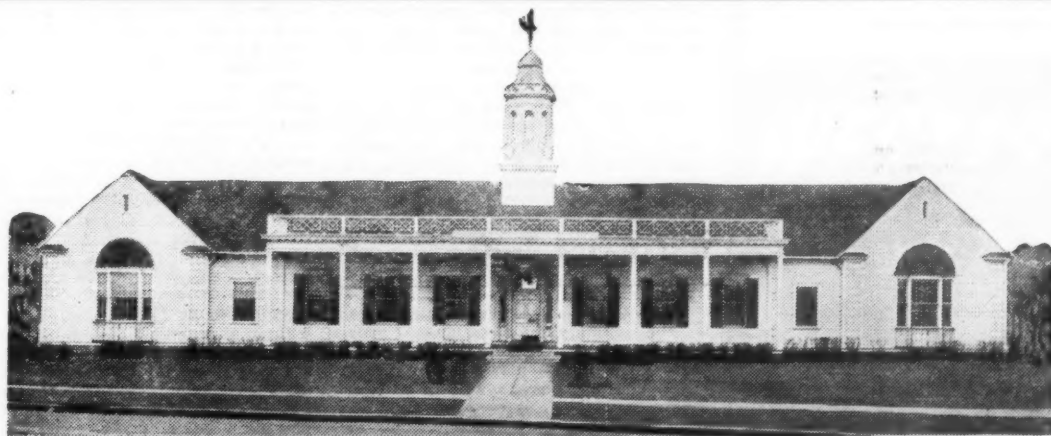
Mr. Sholl also will preside at the morning session, with Governor B. B. Hickenlooper of Iowa giving the keynote address. George H. Means, manager O'Fallon Park district Metropolitan Life and president of the St. Louis Association of Life Underwriters, will follow with a talk on "Our Victory Garden of Prospects." E. H. O'Connor, Insurance Economics Society, Chicago, will give the luncheon address Wednesday.

## Holds Injury Is Covered by General Liability Policy

ST. PAUL—The unloading clause in an automobile liability policy covers removal of goods from an automobile but not the subsequent handling and transportation incidental to delivery of the goods to their destination, the Minnesota supreme court has held in denying the right of St. Paul-Mercury Indemnity, as subrogee, to collect from Standard Accident for a settlement it made covering injuries of an employee of the Northwestern Terminal Company of Minneapolis.

St. Paul-Mercury Indemnity carried the general liability coverage and Standard Accident the automobile liability coverage. The employee had been injured by the tipping of a plank used as a ramp after the trucks had been unloaded and was being driven away.

## Anchor Casualty Prepares for Expansion



Preparation for post-war expansion is announced as the reason behind the purchase by Anchor Casualty of St. Paul of the building located at 2694 Univer-

sity avenue. The company will occupy the building about March 1, 1944. It will provide about 34,000 feet of floor space.

The building is a two-story structure of Colonial design, a modified replica of Washington's home at Mount Vernon, and is a landmark.

## Angles on Hartford Help Problem

(CONTINUED FROM PAGE 1)

in after school and work for four hours a day or as much longer as they care to.

However, the best answer to the war-time help shortage has proved to be the local married women, housewives, many of whom have never worked before or have been off the job for many years. They are conscientious, interested in their work, and they view it as their contribution to the war effort even though it is not in a war plant. Many are well educated and quite a few hold college degrees. They can be given advanced types of work. Of course they can't handle jobs calling for any great amount of experienced judgment but they work out well where it is necessary to absorb and understand a great deal of detail and background, as in some phases of group insurance underwriting, which they are able to apply intelligently.

### Can Pick Own Time

Four hours a day is the minimum for part-time workers but they can just about have their own choice as to what time they will put in the hours as long as they are at the same time each day. They can work Saturday morning or not—incidentally a choice that does not apply

to full-time workers. Naturally only the simpler type jobs can be given to most of these part-timers, since it must be of a character that can be done when they get to it rather than completed in a certain specified time.

Last summer the chamber of commerce directed a house-to-house canvass in which 40 to 45 persons devoted their full time to interviewing housewives and others not employed with a view to interesting them in taking jobs either in war plants or elsewhere. Canvassers turned in slips giving names, qualifications and preferences in the way of jobs. These slips were distributed equitably among companies. One large company, for example, got 50 slips and through them hired about 10 women, mostly on a part-time basis.

### "NEVER MADE ERRORS"

Advertising has proved an effective means of getting part-time women workers. The advertising pulls best when it states some age, for example "age 40 or over." If this is not done the woman of

50 or so is likely to consider that the ad is aimed at younger women than she. Women have been taken on as old as 68 and their age has proved no hindrance to their value.

This is not to say that all the women who are being hired today do not create occasional problems. Recently a woman who had taken an insurance job after having been a teacher for many years was told by her supervisor that she had made a mistake.

"That can't be so," she retorted, "because I don't make mistakes."

As a matter of fact she was exceptionally accurate and intelligent. The supervisor was nonplussed and consulted the personnel chief, who advised him to tell the ex-teacher that the company had changed its method and that, therefore, the operation in question would be handled in such-and-such a manner from now on. So everybody was happy.

In general school teachers have worked out extremely well. The war manpower commission office declared an open season on teachers during the vacation season and the insurance companies could hire them without restriction if they could get them, but had to let them go back to teaching when school started in the fall. Many of the insurance companies were able to hire enough teachers to help ease the personnel shortage materially through the summer.

### College "Teams" Used

One procedure which helps out the personnel shortage, though it was in effect for years before the war is the hiring of teams of boys or girls from Hillyer Junior College of Hartford. Under this plan a student works 10 weeks while his teammate attends college after which they change places for another 10 weeks. This plan has worked out very well but the number of students thus available is not very large for any one company.

Insurance personnel departments make no attempt to conceal from applicants for jobs the fact that they can make more money in war plants. Some even make a point of telling them so. In such cases some applicants have said they would rather work for an insurance company for less money because they didn't want to be frozen into a war job. Others prefer insurance jobs because they know what the conditions are like from friends or family members who work for insurance companies. Some employees who have quit insurance companies for higher pay in war plants have come back, unable to stand the pace.

### Flexibility Is Key

To the extent that a solution can be found to the employment situation for insurance companies in Hartford the answer seems to be flexibility. The companies are operating under conditions that three years ago would have seemed impossible. Valuable procedures, once thought essential, have been eliminated. Standards formerly rigidly adhered to have had to be relaxed to meet the needs of the times.

One company had so much trouble getting charwomen who could pass its medical examination given to all new employees that the medical department would tell the personnel department, "We can't pass her but we advise you to overrule us." This took care of the situation. One day, however, an applicant was in such bad shape that the medical department finding was, "This one is so bad that we advise you not to overrule us."

### WHAT LIES AHEAD

What the insurance companies can do if the employment situation grows tighter, as it may be doing, is a problem that is causing plenty of brow-furrowing. The obvious answer is to work longer hours but this is not as good as it sounds. There is very convincing evidence that no matter what type of work anyone is doing his efficiency falls off so much if he tries to work more than 56 hours a week as a steady diet that he produces less per week and not more, as

compared with a shorter work-week. The minimum work-week for full-time employees is 41½ hours. Two companies are on a 42½-hour week and two are on a 44-hour basis.

Of course, there is still a 12-hour weekly margin even between 44 hours and 56, but many insurance people work up to 12 hours a week in war plants. Then, too, some insurance companies have a plan under which employees can voluntarily sign up for over-time work outside their own departments in the home office in case they are needed. Longer regular hours would interfere with this arrangement considerably.

One course that may be forced on the companies is to simplify operating procedures still further. Unfortunately, a source of a vast amount of work which can't be eliminated is the computing and accounting that must be done in connection with figures required by the federal government—income taxes, victory taxes, social security, unemployment contributions, hours of work—not to speak of answering questionnaires and furnishing special reports.

### Shift Work to Branches

Another expedient is to push more and more work out into the branch offices or agencies. Fire and casualty companies are already doing this to a considerable extent. Group insurance companies are making more of their large cases self-administering—that is, the insured sends the home office only an accounting of the number of participants and the total premium and pays all claims which it considers valid. In this way it is only necessary to make a check in the field and the home office work is vastly simplified.

In spite of paying less money than the war plants, the insurance companies are favorably situated in several respects. Insurance offices are pleasant places to work and enjoy a fine reputation throughout Hartford. They rate as socially desirable and many women who would consider it beneath them to work in a factory or department store—at least under peacetime conditions—are happy to work in an insurance office. Surroundings are pleasant, fellow employees are high class and the food in the company restaurants is excellent.

### Big Migration Is Over

Another favorable factor is that practically all insurance employees who were attracted to the war plants by the higher pay have already made the change with the result that the turnover situation is much improved. It is probably safe to say that in all companies a majority of the personnel have been with the company 10 years or more and these are not the type of people to quit for temporary high pay. In one company the percentage of personnel with 10 or more years of service is 70%. The turnover is mainly among those with relatively short periods of service. In one company, which is probably typical, considerably more than half of the terminations each month are persons with less than two years of service—and this includes terminations for all causes, including deaths.

Contrary to what the situation was during the early days of the war emergency, relations between the war plant and the insurance companies in the matter of personnel problems are extremely cordial and there is a complete absence of a ruthless policy of personnel pirating by the essential industries. Probably nothing has helped this condition so much as the fact that so many insurance people have gone to work part-time for the war plants. According to the war manpower commission's area director about 1,000 insurance men and women are doing this. Off hand it might seem as if someone putting in four hours a night three nights a week would be unable to help very much. However, it fits in well with the way that many plants operate.

In these industries, there are two 10-hour shifts rather than three 8-hour shifts. The day shift quits at 6 and the night shift comes on at 10 and the

(CONTINUED ON PAGE 23)



## THANKSGIVING - 1943

Not much to be thankful for this year? Oh, yes, there is. Think it over.

We are safe from bombs, from cannon and rifle fire.

We are safe from hunger and cold.

In other words, we continue to live our daily routine about the same and we eat about the same, squawking to the contrary.

Let us give profound thanks for our comfortable security.

Of course, our sons are absent. But those boys have better tools to fight with, are better fed, better clothed and are better attended than any other fighting men in the world's armies.

Let us give thanks for all the great agencies, civil and military, in the field and at home, which contribute so admirably to the superior health, safety and efficiency of our fighting men.

KEEP ON BUYING WAR BONDS

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## ACCIDENT AND HEALTH

### Want Agency Force to Finance National A. & H. Association

Plans to put the National Association of Accident & Health Underwriters on a better financial basis, and thus make possible a broadening of its activities, through the agency organization in the accident and health field, rather than asking for further contribution from the companies, were approved at a meeting in Chicago of the planning committee of the National association and will be recommended in its report at the association's winter meeting in Des Moines Jan. 11-12. The committee, which was created at the last annual meeting in Pittsburgh, is composed of the past presidents, with E. H. Mueller of Milwaukee as chairman.

The plan is to get 100 men, general agents and leading personal producers, who have established themselves as successful business men through the production of accident and health insurance, to make pledges covering possibly a five-year period. Several voluntary offers of cooperation in this program already have been received.

It is felt that the chief objective of the National association should be to help the agent in the field, and that all of its activities, both at conventions and between those meetings, should be directed to that end. The fact that the association has not done as much as it should along that line has been due primarily to lack of funds and the drive for a better financial setup is intended to pave the way for an extension along this line. The present plan for company associate memberships would not be disturbed.

In line with the idea of making the National association an agency organization, the committee recommended that as a general policy the officers should come from the agency ranks rather than company men, although this would not apply to the executive board.

### Mauloff Globe Indemnity A. & H. Manager in Chicago

George J. Mauloff, Jr., of the Continental Casualty home office is going with the Chicago branch office of Globe Indemnity as manager of the accident and health department. He will occupy the post formerly held by Harold Roos, who is now with Accident & Casualty in Chicago.

Mr. Mauloff has been with Continental Casualty since 1941. He was an underwriter in the accident and health department at the home office, and then transferred to the Chicago branch office as assistant to the accident and health manager there. He served six months in the army, and then returned to the home office as non-can underwriter. Before going with Continental Casualty he was with Penn Mutual 3½ years, first in the accounting department and then in production, with the James M. Royer agency in Chicago.

#### ADVERTISEMENT

Available experienced Indiana casualty and surety man well qualified for branch manager, bond manager or executive special agent all casualty and surety lines. Prefer live Indianapolis — well and favorably known Indiana agents—above draft age—excellent references. Reply Box T-55, National Underwriter.

#### WANTED

Large well known Casualty Company has need for a better than average production man to cover Northern Section of Ohio. Address T-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### Equitable's Revised Form on Group Policies

Equitable Society announces a revised policy form to be used in the issuance of all new group accident and health policies.

The principal changes are: (1) The period of benefit payments for disability beginning after an employee attains the age of 60 shall not exceed 13 weeks (or less if the policy provides for an indemnity period of less than 13 weeks) in any one calendar year; and (2) successive periods of disability separated by less than two weeks of continuous active employment shall be considered as one continuous period of disability unless they arise from different and unrelated causes.

### John W. Eagleson Retires

John W. Eagleson of Des Moines, for 10 years state manager of North American Accident, first in Nebraska and then in Iowa, has retired and will make his home in Boise, Ida. Mr. and Mrs. Eagleson will soon celebrate their golden wedding anniversary.

J. W. Eagleson, Jr., who has been co-manager for Iowa with his father, will take over the entire management in that state.

### Goodson Takes Over N. M.

Lyle Hilton, New Mexico manager of World of Omaha, who has made an excellent record in development work in that state, has entered service and has arranged with C. H. Goodson of Denver, manager for Colorado and Utah, to look after his field as well for the duration. Mr. Hilton is expected to return to his old post after the war.

### Lehman Is Newark President

At the annual meeting of the Accident & Health Underwriters Association of Newark, these officers were elected: President, George Lehman, National Accident & Health; vice-president in charge of education, Leonard Schneider, Loyalty group; vice-president in charge of membership, Louis Noll, Commercial Casualty; vice-president in charge of publicity, T. C. Sherman, Pacific Mutual; secretary, A. E. Bowman, Bankers Indemnity; treasurer, Eric E. Boehm, Loyalty group. New members of the executive committee are: Paul G. Garey, Loyalty group; W. F. Smith, Aetna Life; Ralph Heller, Prudential; William Ford, National Accident & Health; George McDowell, Loyalty group; William Barnes, Washington National.

### Big Hosiery Workers Group

PHILADELPHIA—A new insurance plan providing health and accident, medical and hospital benefits for 25,000 hosiery workers has been adopted by the American Federation of Hosiery Workers and their employers. A contract signed with the employers stipulates that they contribute 2% of their payroll for this coverage.

The union will sign a contract for a group policy providing accident and sickness disability and accidental death and dismemberment benefits, medical service, hospitalization, surgical treatment and maternity benefits. The policy, initiated by the Trade Union Accident & Health Association of America, is issued by National Casualty. Benefits are without distinction or limitation as to age, sex or color.

### Quiz Session in Los Angeles

LOS ANGELES—A quiz program was conducted at the meeting of the Accident & Health Managers Club of Los Angeles with A. D. Anderson, Occidental Life, in charge and Walter E. Mast of the California Agencies as time keeper, each contestant being given 30 seconds to answer the question. War

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savings stamps were the reward for the correct answers.

President George Howell, Maryland Casualty, named a nominating committee to select a slate to be reported at the December meeting.

Business Men's Assurance has been licensed in Massachusetts for accident and health insurance. It was licensed there for life insurance last year. It is represented by C. H. Watkins of Boston.

## COMPENSATION

### "Comp" Program Has Light in 22 States, D. C.

The new program for the rating of workmen's compensation is now in effect or has been approved by 22 states and the District of Columbia, the Association of Casualty & Surety Executives reports. Additionally the Virginia Association of Insurance Agents has endorsed the program as has the Minnesota association which will sponsor it before the state authorities. The states in which the plan is now in effect are Alabama, Arkansas, Connecticut, Florida, Idaho, Illinois, Iowa, Kentucky, Maryland, Michigan, Montana, Nebraska, New

Hampshire, New Mexico, North Carolina, Oklahoma, Rhode Island, South Carolina, South Dakota, Vermont and the District of Columbia. It has been approved to become effective Nov. 30 in Maine and Jan. 1 in Texas.

The Casualty Executives Association expresses appreciation for the statement of Casualty Commissioner J. P. Gibbs of Texas to the effect that gradation of administrative, payroll audit, field supervision and acquisition expense elements, if done on an equitable basis, is fundamentally sound. Mr. Gibbs stated that the plan is not discriminatory to the smaller premium risk or to any sized risk.

### Doubts Legality of B and C Plans in Indiana

INDIANAPOLIS—At the hearing on workmen's compensation retrospective rating in the office of Commissioner Viehmann, the discussion was not argumentative but rather along the line of careful examination of the points involved as related to legislation in Indiana. There was no question raised as to the guaranteed cost plan, nor as to the retrospective plan A where no surcharge is involved.

The points in doubt relate to plans B and C which might involve a surcharge that would eventually exceed the estab-

lished maximum rate. Commissioner Viehmann has not felt that he has authority to approve the latter plans in view of statute establishing maximum rates. Nor did he feel that this question was cleared up by the conference Friday. Final ruling will be made later.

Among those who participated in the discussion were J. S. Hamilton and Howard Travis, New York, representing the National Association of Mutual Casualty Companies; L. W. Sibley, the American Mutual Liability; J. H. Forrest and C. N. Stevens, Liberty Mutual; H. J. Wilson, Massachusetts Bonding; N. L. Hockenberry, Glens Falls Indemnity; Thos. Quinn, Indiana Chamber of Commerce; Marshall Raber, Travelers; I. W. Sturgeon, Aetna Casualty; John E. Messick, U. S. F. & G.; H. C. Wolff, Indiana Association of Insurance Agents; George Traut, Indiana Automobile Association; L. F. Keegan and Miss Helen S. Turner, Indiana Workmen's Compensation Bureau; G. W. Mahoney, Indianapolis Board; B. G. Slaymaker and C. F. Merrell, local attorneys, and C. J. Haugh, New York, counsel Association of Casualty & Surety Executives.

### Carries Tenn. Fight to Governor

NASHVILLE—Failing to get satisfaction from the National Council on Compensation Insurance in his fight for a reduction of the compensation rates in Tennessee, Commissioner McCormack has enlisted the aid of Governor Cooper and Secretary of State Carr, with the suggested possibility that the governor himself may act to revise rates downward.

Mr. McCormack has stated that it is up to the council to convince him that a reduction of 18% is not justified and that he will not make any such recommendation until the companies have their say about it.

The fight started last July when Mr. McCormack refused to approve proposed rates and appealed to the National Council. Meanwhile the Tennessee Association of Insurance Agents and local exchanges have marked time on the consideration of the proposed new rating system. The local agents association directors meet Dec. 3 but will not act on the matter unless the rate situation clears up in the meantime.

### Ariz. Compensation Decision

In a test case involving the Arizona industrial commission against the Arizona highway department, the Arizona supreme court has ruled that the workmen's compensation law as amended by the 16th legislature specifically eliminates from coverage all employees of the state or political subdivisions earning more than \$3,600 annually. The court said it is apparent the amended legislation excludes insurance coverage of higher-salaried employees because they are financially able to provide their own insurance.

### Scheufler Holds Mo. Hearing

JEFFERSON CITY, MO.—Superintendent Scheufler held a public hearing Monday on workmen's compensation, covering a general revision of the rates and rating values and the proposed war time emergency rules for elimination of bonus overtime wages in computation of the premium. Also considered were the proposed changes in retrospective rating plans. Mr. Scheufler has not finally resolved his judgment on the proposal although a considerable reduction in the average rate level is indicated.

### Farm Bureau May Enter Life Field

DES MOINES—The Iowa Farm Bureau Federation is expected to determine at its annual meeting here this week whether to form a life company for the benefit of its members. The federation now has an automobile insurance company, Iowa Farm Mutual. Some opposition to forming a life company has been reported among federation members.

## CHANGES

### Anchor Casualty to Enter Surety Field with Jenne as Manager

ST. PAUL—The Anchor Casualty is setting up a complete fidelity and surety service with the expectation that the department will be ready to operate about Jan. 1. The department is headed



DONALD D. JENNE

by Donald D. Jenne, who is well known as author and publisher of the "Suretymaster," a quick reference system, an aid in the underwriting of fidelity and surety coverages.

Mr. Jenne has wide insurance experience, both in the field and as an underwriter. He started with Travelers Indemnity. For about 17 years he was with U. S. F. & G., whose service he left to publish the "Suretymaster." Supplementary service, as well as the publication itself, will continue to be distributed by the Suretymaster Company of Minneapolis.

Anchor Casualty is now equipped with complete facilities on all casualty and surety lines.

### H. C. Dayton Eastern Chief for Central Surety

H. C. Dayton, who was formerly assistant to the vice-president of Bankers Indemnity at the home office, has joined Central Surety as vice-president in charge of casualty operations for the eastern department with headquarters in New York. Mr. Dayton was at one time manager at Albany for Bankers Indemnity.

### McNally to Higher N. Y. Post

J. D. McNally has been appointed superintendent of casualty and surety underwriting in the New York office of Commercial and Metropolitan Casualty. For some time he has been superintendent of the bonding department and he is succeeded in that position by Philip J. Sheridan. Mr. McNally started with Na-

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Topeka



tional Surety and also served with Glens Falls Indemnity.

Mr. Sheridan was in the home office bond department of the Loyalty group and later was stationed at Trenton, N. J. He was superintendent of the bond department in Chicago and earlier this year was made assistant casualty manager in Philadelphia.

#### Pacific Indemnity Shifts

LOS ANGELES — Earl A. Davis, vice-president Pacific Indemnity, has been elected a director to succeed T. A. Long, who resigned as vice-president and director to become chief executive officer of a new casualty company being formed by National of Hartford.

J. A. Van Roo, formerly assistant treasurer and comptroller, was elected vice-president and comptroller. G. T. Conklin and D. F. Kyler were appointed junior vice-presidents and J. H. Cleland, assistant comptroller, also was made assistant treasurer.

#### Burkart Assistant Manager

Associated Indemnity has promoted E. L. Burkart to assistant manager in charge of underwriting of its southwestern division at Dallas. He was transferred to the southwestern division from the home office in 1938. Mr. Burkart has been in insurance 15 years.

#### Ward L. A. Bonding Manager

Henry D. Ward has been appointed manager of the bonding department of Maryland Casualty in Los Angeles. He goes from the home office and formerly was with the Buffalo office. He succeeds N. C. Andrews, who resigned to enter the brokerage field in Los Angeles.

#### Goes With Indemnity of N. A.

E. C. McKenzie has resigned as city attorney of Menasha, Wis., to go with the Chicago office of Indemnity of North America as adjuster handling Wisconsin and the northern suburban territory. Mr. McKenzie has served as city attorney at Menasha since 1937 and long has practiced law there.

#### Woman Special Agent in Detroit

Marion L. Outhwaite has been named special agent of American Automobile in Detroit, one of the first women to occupy such a position with the company.

## SURETY

#### Hawkeye Enters Surety Field with D. L. Ball as Manager

DES MOINES—Hawkeye Casualty has opened a fidelity and surety division and appointed David L. Ball of Kansas City as manager.

The company was licensed in Iowa to write surety Oct. 1 and approval has been secured in Illinois, South Dakota, Nebraska, Wyoming, Colorado and Kansas. It also plans to enter the surety field in New Mexico, Texas and Missouri. It will write all surety lines except bankers blanket bonds. The company intends to get supplies into the hands of its agents before Jan. 1.

Mr. Ball has been with U. S. F. & G. 28 years, starting in the claim department in Kansas City in 1915. After army service in the first world war he entered the production field as a special agent in Kansas City and in 1935 was transferred to the judicial department. The past year he has been surety underwriter in Kansas City. He is a graduate of the Kansas City school of law.

#### Co-Surety Bond Adjustments

NEW YORK — Discussion of adjustment of losses where contributing or co-surety bonds are involved at the Surety Company Claim Men's Forum was so interesting to members it was decided to continue with the same subject at the Dec. 1 meeting. E. W.

Fields, U. S. Guarantee, conducted the meeting, preparing 14 questions for discussion in advance and sending an outline to each member prior to the meeting.

#### Ohio Liquor Bond Decision

The Ohio supreme court in the case of State of Ohio vs. Inland Bonding holds that when a bond is furnished under the Ohio liquor control act, the surety is not liable thereunder for retail sales taxes on beverages or other merchandise sold by the holder of the permit.

#### K. C. Group Expands Activities

The Surety Managers Club of Kansas City is expanding its activities, heretofore confined to discussion of rates, forms and pending legislation, to include public relations, which will consist of talks for agents, bankers, court officials, etc., throughout that territory. F. Glenn Packwood, manager of Massachusetts Bonding, is chairman of the new public relations committee, and Ray Johnston, Travelers Indemnity, and John Battershill, Metropolitan and Commercial Casualty, are members.

## COMPANIES

#### Report on Lloyds Results in Ill.

The Illinois department has released the report of an examination on London Lloyds as of Dec. 31, 1942, showing assets in its Illinois department of \$5,018,670 and net surplus \$788,308. The investments consist entirely of government bonds. The examiners state that the underwriters are complying with the spirit and letter of the regulatory agreements.

The actual surplus is greater by \$828,058 than that with which the underwriters are credited. The \$828,000 is the aggregate amount of premiums on policies effective prior to Oct. 1, 1942, less credits. The examiners state that this large volume of overdue premiums is not an indication of poor collections. For the most part the records of the agents indicated prompt collections but premiums are not remitted to London until requested. It is not uncommon to be from three to six months forthcoming. The present delays and uncertainty in mails and other circumstances all mitigate against speedy preparation and dispatch of policies and this increases the period which elapses between the receipt by Illinois agents of the premium and the point at which it is usual for the London broker to send his accounts for such premiums.

Premiums earned in 1942 amounted to \$2,905,978, losses incurred \$744,312, adjustment expenses \$397,226, underwriting expenses \$801,325, underwriting loss items \$426,517, net gain from underwriting \$536,596. There was a net gain from investments of \$21,841 and there was a net remittance to underwriters of \$332,966.

#### Kroger Converts Insurance Fund Into Corporation

Manufacturers & Merchants Indemnity of Cincinnati, which was incorporated some time ago by the Kroger Grocery & Baking Co., has now been organized and it is expected that a license will be issued within a few days. Capital is \$350,000 and net surplus is \$650,000. Since 1935 Kroger has been self insuring virtually all of its casualty risks and the formation of the insurance company is tantamount to incorporating the self insurance fund.

During the past few years Kroger has been buying insurance in outside companies for more than 1,000 of its employees who own their own cars and use the cars on company work. Such insur-

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## BUY WAR BONDS

ance could not be provided through the self insurance fund but it is understood that policies in Manufacturers & Merchants Indemnity will now be provided for such employees.

#### Officers of New Company

The president of the new company is Joseph B. Hall, who is vice-president and treasurer of Kroger; vice-president and general manager of the insurance company is Edward J. Stoddard, who has been director of insurance for Kroger, and treasurer is Roger B. Conant, an officer of Kroger. Except for Donald M. Wood of the Childs & Wood Insurance Agency of Chicago which is insurance adviser of Kroger, the directors of the insurance company are all directors of the Kroger company.

Kroger also operates Kemba Mutual Insurance Association which provides accident and health and hospitalization benefits for its employees.

## ASSOCIATIONS

### Reduction of Claims Is Topic in Los Angeles

LOS ANGELES—E. Briggs Horth, superintendent of claims of American Surety, spoke at a meeting of the Casualty & Surety Fieldmen's Association of the Pacific Southwest on "Fidelity and Surety Claims." He stressed the necessity of cooperation between underwriting and claims departments in eliminating avoidable losses and reducing non-avoidable losses. Obligees under bankers blanket and fidelity bonds, he said, should be educated as to the safeguards that can be taken to reduce losses.

Most avoidable losses arise from probable bonds, he said. Underwriters

should work with attorneys and fiduciaries to help prevent these losses. He urged the underwriting department insist on necessary precautions, such as filing current accounts in the estate.

Indemnity does not make a bad bond a good one, he said, because indemnitors usually try to get out of an obligation if called upon to make good a loss. Character, capacity and capital are the main factors in writing contract bonds.

There was discussion of SB 1362 and H3269 and H3270, now before Congress, and also of the 80-20 collision form, which it now is permissible to write on the Pacific Coast.

### Chicago Adjusters Group Elects French President

The Casualty Adjusters Association of Chicago at its annual meeting elected Glen E. French, regional claims manager of Liberty Mutual, president; G. A. Olson, Maryland Casualty, vice-president, and R. T. Luce, vice-president and claims manager Casualty Mutual, secretary-treasurer, reelected.

Dr. Eric Oldberg, chief of the department of neurology at the University of Illinois school of medicine, Chicago, discussed spinal injuries, and stressed their neurological effects. Claim men were enlightened since many of them have always felt that such injuries were pretty much the province of the osteopath and bone specialist.

The annual Christmas party of the association will be held at the Hotel Sherman, Dec. 7. Members of the Illinois commission will be guests, along with negligence lawyers and industrial doctors.

George Suderman, Des Moines radio newscaster, spoke before the Des Moines Casualty & Surety Club, discussing the latest developments in the war.

## PERSONALS

John M. Pfeiffer of American Surety's metropolitan branch, 80 John street, New York, has completed 50 years of service with the company and was given a testimonial luncheon. F. W. Lafrentz, chairman; A. F. Lafrentz, president; vice-presidents W. H. Bennem, D. H. Cook, H. P. Dunham, J. E. Gibbons, R. B. Hamilton, M. L. Jenks, W. E. McKell, F. J. Parry, W. M. Tomlins, Jr., and E. F. Watson, all attended.

President Lafrentz and Chairman Lafrentz spoke and Mr. Pfeiffer responded. The company presented Mr. Pfeiffer a gold fountain pen, and associates at the metropolitan branch office gave him a white onyx table lamp. President Lafrentz also sent 50 roses to Mr. Pfeiffer's house. Mr. Pfeiffer was in the accounting department 20 years. In the metropolitan branch he served in several capacities before devoting his entire time to production.

National Surety has issued the third edition of "William Street Goes to War" which carries pictures and news item of insurance personnel serving in the armed forces. It relates the contributions to the war effort by those connected with William Street which represents the insurance district in New York City. Among those mentioned in the current edition is Kathleen Cullen, daughter of President Vincent Cullen. She enlisted in the British-American Ambulance Corps at the outbreak of the war and later transferred from that to the American Red Cross-Overseas Division. At the present time she is serving with a fighter unit of the American air force.

American Motorists of Chicago has been licensed in Iowa.



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Home Office LOS ANGELES



## Hartford Help Situation Fantastic

(CONTINUED FROM PAGE 18)

four-hour gap is filled by the part-time workers. In this way the same production is achieved with part-timers and two regular shifts as would be done by three full-time shifts, or a saving of one-third in full-time labor.

This arrangement also takes care of the problem of getting full-time employees to work through the evening hours. It is not so bad for the part-time people because they usually only work three nights a week. The 6 to 10 shift is called the "victory" shift or "Patriot shift." It is also unofficially known as the "dog shift" because of its unpopularity with the regular help.

To the insurance people working the 6 to 10 shift the work has the advantage of being entirely different from their regular duties. Also they can make a sort of joint project out of it with their fellow insurance people, with groups operating car pools for transportation.

### Father Draft Not a Problem

The drafting of fathers has not yet proved much of a problem, though at first it was feared that quite a few fathers, faced with the draft, might leave insurance jobs to go into a war industry and thereby assure themselves of deferments. This has not happened, however. Those who are in this situation are practically all career insurance men holding responsible positions. While they would be taking a heavy financial sacrifice if drafted, they are mostly in positions where they would also be making far less money if they went into war plants, so it would be a gamble between facing a severe and certain cut in pay as opposed to the more remote possibility of a more severe cut. Incidentally under a recent ruling of the war manpower commission the fact that a man in a non-essential industry works part-time in a war plant does not help him in getting a deferment.

Companies have become very open minded about whom they will hire. One company, finding it impossible to get the usual young boys for inter-office runners, has hired women for the job, one of them being a grandmother with two sons in the service. This same company also hired the members of a girl orchestra that was playing in a local night club. The girls worked on a full-time basis, working at the company day-times and playing at night, but the problem of finding time for rehearsals proved too much and after several weeks they had to give it up. Another employee is a former actress who appeared in leading roles in stage plays with George M. Cohan and in the movies with Rudolph Valentino. More than 10% of this company's personnel are married women and the figure is probably representative for other companies. Many women are those who were former employees and have come back to work as a result of the war emergency.

Among the older women particularly it has been found that those who have been doing volunteer war work of some kind do exceedingly well on full or part-time insurance jobs. It takes a certain type of moral integrity to do the type of routine jobs that are usually assigned to volunteer workers and to do them well in spite of their being something of a bore. Hence they do not tend to chafe under the routine type of work that is largely the province of the part-time employee in the home office.

Employment of older women has brought quite a contrast as against the usual insurance company office staffed mostly by girls in their teens or twenties. Supervisors may at first feel a little odd to be giving directions to women old enough to be their mothers but they soon get used to it.

"I expect that if you give me some of these part-time married women they'll be calling me, 'Sonny,'" one man told the personnel executive jokingly.

To those who actually do the hiring of employees the situation has, of course, been one demanding great adaptability

but also has proved extremely interesting. Unless completely cowed by the novel experience of applying for a job, the older women tend to be much more talkative when dealing with the personnel interviewer than are young girls. Because of the desirability of trying to place every one who applies and the fact that the usual rather high standards have to be considerably abrogated it is necessary for the interviewer to refer cases to the personnel chief somewhat more frequently than would ordinarily be true.

Interviewers have to take into account that it is often rather unnerving for a mature woman who has never held a job or at least has not held one for many years, to go through the rather complex routine of applying for a job. In rare cases a woman will get on her high horse and stalk out of the place if she has to tell anything more than her name and address. The clerical aptitude test tends to scare some applicants. One way of easing the tension is to tell the applicant that this is a quiz just like in the magazines.

Every effort is made to avoid discharging employees, what with their be-

ing so hard to get, but occasionally this cannot be avoided. Usually it is due to either absolute incompetence or else to such a flagrant disregard of rules and directions that the morale and discipline of fellow employees is in danger of being demoralized. Transfers from one department to another, where an employee has failed to work out, are resorted to much more frequently than in the past as a means of trying to find some way of utilizing available personnel.

### SCHOOLS COOPERATE

The Hartford schools have been extremely cooperative, doing everything within reason up to the point of letting students quit school, which is something the insurance companies and other employers try hard to discourage though not always successfully. The high schools permit the students desiring to work part-time to be excused the last period of school, rearranging students' schedules to permit this. The Christmas vacation period has been set ahead to permit pupils who wish to work in local department stores, thereby easing the employment situation.

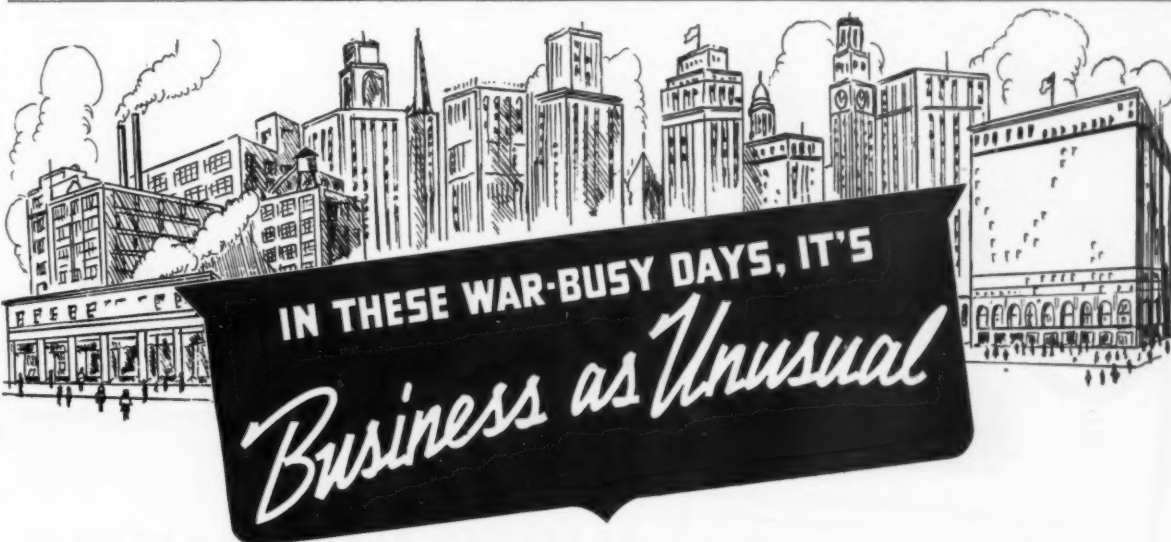
Quite a few high school girls who are working part-time for insurance

companies will be able to work full-time during the Christmas vacation. This fact brought out an amusing reaction on the part of one of these students. Since the part-time workers do not earn enough to make them subject to the withholding tax for victory and income tax payments, there is no deduction from their pay on this score. However, they will be earning more than \$12, which is the point where withholding for the victory tax begins, during the Christmas holidays when they are working full-time. This prompted one girl to ask if everything they earned over \$12 would be taken away from them.

One situation that employers and managers are looking ahead to is how many of the present employees now in the armed services will want to come back after being demobilized. Some managers feel that the exciting experiences that these men will have been through will cause them to be unwilling to accept insurance work and to seek something more adventurous.

### See Return of Career Men

For example, just the other day a marine paratrooper officer who had been with one of the insurance companies here indicated that what he wanted to do after the war was to represent a parachute manufacturing company abroad.



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However, this man had been with the company only about six months before going into the service and was just out of college so that this is probably not typical of what may be expected from men who had been with their companies long enough to have decided on insurance as their life work.

One estimate is that most of those who had been with their companies three to four years will probably come back but that those with only a background of a year or two of service may find other fields more alluring. Naturally the general level of prosperity and the opening up of new enterprises after the war will have a considerable bearing on how successful the companies are in getting back their former employees.

The intensity of the war manufacturing activities here impresses itself on the visitor in the matter of hotel and restaurants accommodations. A reservation made two weeks in advance is no guarantee of getting a room with bath at the Bond hotel. At Honiss's famous sea-food restaurant the line starts forming before 5:30 p. m. Washington seems leisurely and uncrowded by comparison with Hartford.

Monarch Life of Springfield, Mass., has been licensed to write life and disability insurance in Oregon.

### Conkling, Price & Webb Anniversary Affair Attracted Much Attention

The Conkling, Price & Webb general agency celebration of its 50th anniversary at Chicago attracted wide attention because of the reputation and prestige of the firm. In addition, the agency has close affiliation with some other Chicago agencies. For instance, the Critchell-Miller Agency was well represented as was Osborn & Lange. The Philip W. Collins Agency and Robert H. Beard & Co. also had delegates. F. D. Coloran, manager of the Collins office, was present and R. H. Beard, Sr., and R. H. Beard, Jr., were from their office. D. W. La Rocque, superintendent of underwriting at the head office of London Guarantee & Accident in New York, attended the celebration.

Among the outside agencies on hand were Frank Backe of Hammond, Ind., and John C. Fisher of Crown Point, Ind. Kyle E. Simpson, who was mentioned as state agent of London Guarantee, is state agent for Conkling, Price & Webb.

Win friends by distributing 1944 Income Tax Reduction Records. Write National Underwriter for sample.

### \$10,000,000 Third Party Cover Perfected in U. S.

The \$10,000,000 third party ship repairers liability policy that was recently provided for Bethlehem Steel by Globe Indemnity with the aid of 20 other casualty companies as reinsurers is perhaps the highest limit contract ever arranged in this country. The brokers were Mather & Company of Philadelphia. The contract is designed to bridge a gap between strictly government risks involving repairs to Navy vessels and regularly insurable property owners risks not covered under the standard ship builders risks policies of the marine insurance companies.

Instead of arranging for the reinsurance in a series of excesses, as is customary in the third party liability lines, the 20 companies took pro rata portion of the liability and received a pro rata portion of the premium. It is understood also that the direct writing companies, in passing along a portion of their liability to the professional reinsurers, also reinsured on a pro rata rather than an excess basis.

The underwriters emphasized that this is a special case and that they are not prepared to so proceed regularly.

### Heads Navy Unit



LIEUT. S. F. PROCOPIO

Lieut. S. F. Procopio, who is scheduled to succeed Lester Beck as chief of the insurance division, office of procurement and material, Navy Department, on Dec. 1, formerly served as assistant superintendent of underwriting for Employers Liability in New York City, and has been assistant to Mr. Beck since May 18, 1942. He was made a lieutenant in December, 1942. He is a graduate of Harvard. Mr. Beck recently resigned to become executive vice-president of Pennsylvania Casualty.

### Non-Concurrence Parley Dec. 2

NEW YORK—The meeting of the arbitration board appointed by fire and casualty companies to settle non-concurrence problems arising out of looting claims following the rioting in the Harlem section of New York City has been postponed to 2:15 p. m. Dec. 2 in the offices of the Association of Casualty & Surety Executives, 60 John street, New York City. The meeting was originally scheduled for this week.

### Petition for Rehearing Denied

The Illinois supreme court has denied a petition for a rehearing in Edmonds vs. Moore which gives the plaintiff's attorney the right to challenge jurors so as to bring out the fact that the defendant has insurance. Details of the original decision were published in the Nov. 11 issue of THE NATIONAL UNDERWRITER.

### DEATHS

Harry T. Horsman, 63, an inspector with Mutual Boiler in Boston for about 30 years, died at his home in Somerville, Mass.

Horace A. Ayers, 49, resident manager of Ocean Accident and Columbia Casualty in Boston, supervising all New England, died suddenly from a heart attack at his home in Dedham, Mass. He was a native of Danbury, Conn., and began his insurance career with the old New England Casualty, later was with the Arthur W. Burke agency of Aetna Casualty and then the Boston branch of Zurich. He served 14 months overseas in the first world war. He had been with Ocean since 1924, and was appointed resident manager in 1931.

Glenn Ranney, general agent at Kalamazoo, Mich., and claim supervisor for the district for Preferred Auto of Grand Rapids, died after an illness of several months.

Charles A. Mosher, 77, of Utica, N. Y., who was elected president of Commercial Travelers Mutual Accident Oct. 29, died in Utica. He had been a director of the organization since 1926.

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2	76	77 fronts
2	44	77 returns
1	22	58 door
4	62	77 fronts
4	44	77 returns
2	22	58 doors
1	124	77 front on Orangelaan
1	42	77 return
1	22	58 door
1	43	77 return
1	87	77 front
1	86	77 "
2	72	77 returns
2	44	77 door
1	22	58 door

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### May Consider N. Y. Policy at Mich. Special Session

LANSING, MICH.—Governor Kelly has been asked by Commissioner Forbes to open for consideration at a projected special legislative session proposals for adopting the revised standard fire policy in this state and for increasing the ceiling on the state fire fund.

Legislative committees have recommended that the session start Feb. 1. A session will have to be held, as the session this year made appropriations for only a single year of the biennium, due to uncertainty as to the status of wartime revenues.

Commissioner Forbes furnished the governor considerable material relative to the new New York policy which now has been adopted in a score of states. The standard policy in Michigan is a part of the law and requires specific legislative authority to change.

As to the proposed changes in the fire fund law, the commissioner noted that the fund now contains \$941,000 to protect state property valued at some \$71,000,000. The fund may not exceed \$1,000,000 under the present act.

"When the fire fund law was enacted in 1913," the commissioner said, "state buildings were valued at \$16,000,000 and the fund was sufficient. The fund should be permitted to grow to \$5,000,000 for adequate coverage and should include protection against damage resulting from riots, windstorm, falling aircraft and explosion."

The commissioner noted that the capitol building, a somewhat ancient structure so built that a serious fire could result in an almost total loss, is valued at \$3,500,000 alone and the total present fire fund protection would not go far toward replacing it. The commissioner also suggested that expenses of administering the fire fund should be met by the fund.

### Iowa Mutuals Elect C. Fred Morgan President

DES MOINES—C. Fred Morgan, Square Deal of Des Moines, was elected president of the Iowa Association of Mutual Insurance Associations at its annual meeting here, with 98 companies represented. He succeeds William Treimer, Farmers Mutual of Hartley. Leonard E. Arp, Farmers Mutual of Stockton, was named vice-president. New directors are O. D. Steinke, Sibley; H. H. Lockin, Aurelia; William Linnevold, Decorah; Harry Sumners, Clarion; Fred W. Shaw, Corning, and P. A. Gaarde, Armstrong.

The association went on record as favoring state supervision of insurance and opposed to federal control.

A. V. Gruhn, general manager American Mutual Alliance, described what he called a "move under way" to promote a new "all-coverage" property insurance policy. He said such a move, if carried out, would militate against the small companies which write only one type of policy.

At the annual meeting of Farmers Mutual Reinsurance, held in connection with the conference, it was decided that each county mutual henceforth will be assessed on an average 10-year loss ratio. Previously the association assessed on the value of property insured.

### Examination Center Changed

CINCINNATI—State examinations for agents' and solicitors' licenses will

be held in room 215 City Hall on the second and fourth Friday of each month, beginning Dec. 1. This downtown location will be handier for most candidates. In the past the examinations were conducted at the University of Cincinnati, several miles from the center of the city. There has been a marked decrease in the number of applicants for agents' and solicitors' license this year. The last annual report issued by superintendent Crabbe, showed a total of 3,966 agents examinations given in 1942 for all lines. Of that number 1,090 or 27½% failed. Those figures include candidates who received more than one license examination. It also included candidates who, after failing to attain a passing grade on the first trial, made other attempts.

### Kirkpatrick Expands in Parsons

F. C. Kirkpatrick, Parsons, Kan., has purchased the Peoples Building & Loan Association building there for occupancy by his agency. Mr. Kirkpatrick entered insurance in Parsons in 1933 representing Travelers for accident and life division, but shortly branched out as a local agent and now represents 15 companies. He was acquainted with only one man in Parsons when he moved there, but shortly became one of the leading producers of Travelers in that territory.

His largest piece of business was written with Marsh & McLennan, a group life, accident and sickness, hospitalization and surgical benefit contract for the J-M Service Corp., which operates an ordnance plant in Parsons with 6,000 employees.

In 1941 Mr. Kirkpatrick purchased Kohler agency.

### Minn. Regional, Local Boards Elect

MINNEAPOLIS—In spite of travel restrictions, Minnesota regional associations are going ahead with their educational meetings. At the November meeting of the West Central regional at Montevideo, Charles Russell and Arthur Linnee of Travelers spoke on compensation insurance.

The Southeastern Minnesota regional has elected George N. Reppe, Grand Meadow, president; Francis McGovern, Rochester, vice-president, and Herbert G. Knopp, Rochester, secretary-treasurer.

Two local boards also have elected officers. The Rochester Insurers Association has named Carleton W. Kruse president; Francis McGovern, secretary, and C. O. Brown, treasurer.

The Moorhead Association of Insurance Agents has elected J. Pierce Wolfe president; Edwin Adams, vice-president, and W. R. Costain, secretary-treasurer.

### Shifts in St. Louis Agencies

ST. LOUIS—W. A. O'Connor has withdrawn from the agency of Thompson, Kincade, O'Connor & Powers, and established a new agency under the name of W. A. O'Connor & Co. at 314 North Fourth street, St. Louis. Associated with Mr. O'Connor in the new agency are Victor J. Foshage, Herbert D. Condie, Howard Williams and John P. Flanigan.

Emmett V. Thompson, Dudley Kincade, Samuel J. Hill and James E. Powers, Jr., have formed a new partnership as Thompson, Kincade, Hill & Powers.

### St. Louis Buyers' Q. & A. Panel

The insured members' conference of the Associated Industries of Missouri, held a question and answer panel discussion on a group of previously submitted insurance questions Tuesday.

The panel consisted of: Buyer, A. D. Sargent, National Lead Co.; fire insurance, Oden D. Prowell of George D. Capen & Co.; automobile, L. H. Antoine, American Automobile, and casualty, Emmett V. Thompson, Kincade, O'Connor & Powers.

### Friday Speaks in Des Moines

DES MOINES—C. D. Friday of Osceola, president Iowa Association of Insurance Agents, spoke before the Des Moines body on the national convention in Pittsburgh and outlined the program recently adopted by the Iowa association executive committee. He urged members to work towards getting Iowa insurance laws recodified at the next legislature.

Mr. Friday has just been elected president of the Osceola Chamber of Commerce.

### Stage Personal Liability Skit

Scott Gardner and Robert McCafferty of the Wheeler-Kelly-Hagney Agency conducted a skit on personal liability insurance before the Wichita Association of Insurance Agents in the series of educational meetings under the direction of B. J. Weldon of Dulaney, Johnston & Priest, who led a discussion following the skit.

President C. J. Slawson announced that a plaque bearing the names of all members and employees in the service is to be hung in the lobby of the Lassen Hotel. Secretary Eli Bounous was honored, as it was his last meeting before reporting for military service. The Christmas party will be held Dec. 16.

### Illinois Officers Confer

Several of the new officials of the Illinois Association of Insurance Agents visited the executive office in Chicago this week and conferred with Lillian L. Herring, executive secretary and treasurer. Present were James J. Beattie, Rockford, president; A. S. Keys, Springfield, past president and immediate past national state director; and three regional vice-presidents: J. L. Connors, region 7, Wood River; Thomas M. Tobias, region 5, Peoria, and Russell L. Sprouse, region 6, Springfield.

### Underwriters Adjusting Changes

A. J. Lorenz, who formerly worked in the Wisconsin territory of Underwriters Adjusting and who recently has been in Lima, O., has been made resident adjuster at Wausau, Wis. N. A. Fargo, resident adjuster at Wausau is transferred to Green Bay, Wis., in the same capacity.

R. G. Peabody, resident adjuster at Green Bay, goes to the Dayton, O., office. H. C. Bring, Chicago, has been transferred to the Lima office as the staff adjuster.

### Hale Heads Education Work

In the last issue it was stated that C. G. Hale of Cleveland had been appointed chairman of the reaffiliation committee of the Ohio Association of Insurance Agents. This was incorrect. He is chairman of the educational committee. The annual meeting voted to continue the reaffiliation committee, which has not yet been named.

### New Hardware Mutual Setup

George M. Gray of Coshocton, O., has retired as president of Ohio Hardware Mutual. Phil G. Wuertz, Cleveland, has been elected president and Paul R. Brier, Coshocton, secretary.

### Self-Insurance Issue in Wis.

WAUKESHA, WIS.—E. J. Evert, Pewaukee, farmer member of the Waukesha county board of supervisors, has presented a resolution for action by the supervisors that the county become a

### Ohio Federation Strongly Opposes Federal Regulation

COLUMBUS—The executive committee and directors of the Insurance Federation of Ohio have adopted a resolution putting the federation on record as opposing unqualifiedly any attempt to place insurance under the control, regulation or supervision of the federal government and favoring the enactment of S. 1362 or any other bill that will accomplish the purposes intended to be accomplished by that bill.

The federation says that insurance can be better regulated and supervised by the several states working in a friendly cooperation through their insurance commissioners than by the federal government acting on a nationwide scale and without knowledge of, or regard to, local conditions and local problems.

If the business of insurance is to be subjected to federal regulation, the several states will not only lose the important function of regulating local business within their respective boundaries, the Federation says, but may also lose a considerable amount of revenue now derived from the taxation of insurance through franchise taxes, the amount involved in Ohio being over \$8,000,000 annually.

self-insurer. The county now pays insurance premiums totaling about \$3,000 annually. The Waukesha "Daily Freeman" editorially condemned the proposal.

### \$72,000 Country Club Loss

The St. Charles, Ill., Country Club was practically destroyed by fire. There was a \$72,000 blanket policy on the risk, and the loss is estimated total. The fire was said to have been caused by sparks igniting the roof. There will be a heavy loss on personal property in the lockers of members.

### \$100,000 Oconomowoc Fire

Fire destroyed or damaged many of the buildings on one side of the main street in Oconomowoc, Wis., and there are approximately 100 losses which will aggregate more than \$100,000 it is estimated. Assured were principally small mercantile establishments.

### Schauffler Speaks in St. Louis

ST. LOUIS—Harry K. Schauffler, assistant manager of the National Board, will speak here under the auspices of the Insurance Board of St. Louis.

Mr. Schauffler is also scheduled to speak in Little Rock Dec. 13.

### Honor Illinois Agents' Head

James J. Beattie, the new president of the Illinois Association of Insurance Agents, was honored by the local board of his home town, Rockford, at a dinner and party. Among guests were officials of American, Security, National and Firemen's. Mr. Beattie was presented a fine brief case by the board.

John J. O'Toole, secretary of F. D. Hirschberg & Co., immediate past president of the Insurance Board of St. Louis, as chairman of the speakers committee of the local committee for "Security of War Information" has recruited 25 speakers, namely, local agents and brokers, to speak on "Keep Your Mouth Shut" before various business, civic, professional and neighborhood organizations.

The Thanksgiving luncheon meeting of the St. Louis Court of Cats Meow was held Nov. 23.

W. A. Lemenager, Kankakee, Ill., local agent, was married to Miss Catherine Coney.



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## EASTERN STATES ACTIVITIES

### Phillips Heads Washington, D. C., Insurance Club

WASHINGTON—At the annual meeting of the Insurance Club of Washington, D. C., the following officers were reelected: President, Albert Phillips; vice-president, J. A. Pumphrey; secretary, Ralph W. Lee, Jr., and treasurer, George Schultz.

The club includes agents, branch office managers, adjusters, etc. About 180 attended the meeting and accompanying dinner. Stricklan Gillilan, humorist, was toastmaster and posed as statistician for an "international rating bureau," expounding the virtues of mutual insurance. Other entertainment was furnished by artists from the Shoreham Hotel. Guy Mann was chairman of the dinner committee. The dinner was preceded by a cocktail hour.

### O. K.'s Dwelling House Forms

Commissioner Neel of Pennsylvania announces that the prohibition against the use of dwelling house forms of fire insurance policies that has been in effect since March 1, 1937, no longer is in force and the department will entertain for approval such dwelling house forms. Mr. Neel states that the department is acting in view of the present need for saving labor and materials. He referred the question to the attorney general who gave the opinion that there is no statutory ground to prohibit the printing on the face of the policy in the space provided, a form to be filled in by the agent setting forth necessary data describing the property and commonly known as the dwelling house form.

### Large Erie Line Voided

More than \$2,000,000 of insurance on school property at Erie, Pa., was held void in an opinion handed down by Judge Wade of Warren County, Pa., who presided at Erie at an injunction suit brought against the school district by Fred B. Downing, Erie local agent. Mr. Downing's contention that the policies were void because the insurance companies granted forms of extended coverage to the schools beyond the power of their charters was upheld by the court.

### Resigns as D. C. Group's Manager

WASHINGTON—Edward R. Hardy has resigned as manager of the Underwriters Association of the District of Columbia which he organized 22 years ago. It is reported he will be succeeded by H. E. C. Rainey, who has been connected with the association's office some time. The annual meeting of the association will be held in December.

### New Mass. Fire Marshal

BOSTON—Edward H. Whittemore, a building and elevator engineer in Boston since 1903, has been appointed as state fire marshal to succeed Stephen C. Garrity of Lowell, retired. He was a building service engineer for Stone & Webster from 1924 to 1929 when he became sales engineer for the A. B. See Elevator Co. and in 1937 went to the Westinghouse Electric Elevator Co. in the same capacity.

Oren A. Reagan has been appointed manager of the insurance department of the Pomeroy Organization, Inc., Syracuse, N. Y. He formerly was special agent Employers Liability.

F. B. Northrup, Jr., of Syracuse, has been appointed junior examiner in the New York department. His father and grandfather were engaged in the insurance business in Syracuse for many years.

R. H. Blanchard of Melrose, Mass., vice-president and general manager of the Hood Rubber Co., has been elected a director of Norfolk & Dedham Mutual Fire.

### Report D. of C. Rating and Regulatory Bills Favorably

The congressional committee on the District of Columbia has reported on bill 1029 which provides for regulation of fire, lightning, tornado and windstorm rates in the district, and has recommended for passage bill 1028 amending the fire and casualty act of the district. The two bills were not opposed when hearings were conducted, and the National Board and the Insurers Association of the District of Columbia both appeared in favor of the rating bill. The amendment to the fire and casualty act adds a new alternative money penalty for offenses under the act, the penalty now being revocation or suspension of a company's certificate of authority. The amount of bond required by brokers is reduced from \$5,000 to \$1,000 principal sum. Regulation of agents and brokers is strengthened by addition of two additional causes of revocation of licenses.

## SOUTH

### Lunsford Norfolk Manager

Lewis Lunsford has been appointed manager at Norfolk, Va., for Fire Companies Adjustment Bureau. He started with Southern Adjustment Bureau, the F. C. A. B. predecessor, at Richmond in 1925 and then from 1930 to 1936 he was stationed at Norfolk. He became adjuster in charge at Wilmington, N. C., and since 1939 has been manager at Tupelo, Miss.

H. B. Frazier, Jr., formerly Norfolk manager, has resigned to enter the utility construction business.

L. M. Little is the new manager at Tupelo. Recently he has been at Norfolk.

### McCormack and Dyer at Meeting

CHATTANOOGA, TENN.—"Government interference with the continued progress of insurance in the United States would be little less than a calamity to general welfare," declared Dr. Gus W. Dyer of Nashville, economic adviser of the Southern States Industrial Council, in an address before the Chattanooga Association of Insurance Agents. Commissioner McCormack introduced the speaker.

### Okl. Marshal's Prevention Drive

"To prevent fires we must stop the cause" is the slogan introduced by T. J. Ellis, Oklahoma state fire marshal, in a determined campaign to reduce fire loss in Oklahoma. He has personally solicited the aid of city and school officials in fire prevention work, and is getting splendid cooperation from a program of publicity he is conducting.

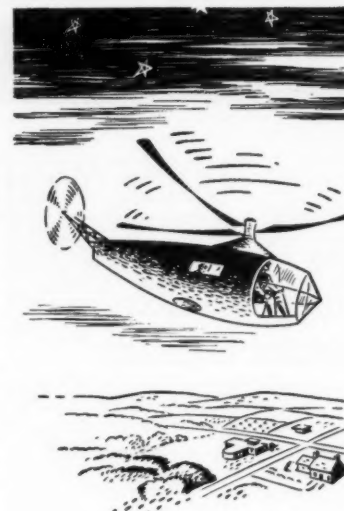
### Powers with Irwin & Co.

Lewis T. Powers has joined the Leon Irwin & Co. general agency of New Orleans to handle automobile and fire losses. Mr. Powers attended Tulane University before entering the adjusting field. He has been with the Fire Companies Adjustment Bureau for the past five years.

### Austin, Tex., Women Organize

The Insurance Women's Club of Austin, Tex., has been organized with Mrs. Nancy Kinney as president. J. O. Garrett conducted the organization meeting. Vice-presidents are Miss Alice Townsend, Mrs. Ruth Winton; recording secretary, Mrs. Mary Beth Prentice; corresponding secretary Mrs. Evelyn Perry; treasurer, Mrs. A. F. Jones. The next meeting is scheduled for Dec. 6.

Lowry Watkins, Louisville local agent, is father of a daughter. Mrs. Watkins is the daughter of William Marshall Bullitt, prominent Louisville insurance attorney.



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## PACIFIC COAST AND MOUNTAIN

### Ariz. Agents Elect Martin at Annual Meeting in Phoenix

PHOENIX, ARIZ.—Adoption of the revised New York standard fire policy by the Arizona corporation commission was welcome news to members of the Arizona Association of Insurance Agents at the two-day business meeting here. For months the association has been working to get the new form adopted by the state. It was decided to employ an executive secretary.

The association elected R. Norrie Martin, Arizona Trust Co., Tucson, president; James Murphy, Valley National Co., Phoenix, vice-president; W. E. Davidson, Tucson, secretary-treasurer, and V. M. Haldiman, Guardian agency, Phoenix, state national director.

#### Goodly Attendance at Convention

Despite transportation difficulties nearly 100 agents and company men attended. The meeting was given over entirely to discussions of the agent's place in the national economy during wartime and methods of improving business. There was a joint session of the association executive committee and field men Nov. 19. Agents agreed to volunteer for fire prevention inspection in war plants and other essential industries throughout the state. Keeping insurance under state control was also discussed.

On the closing day the executive committee voted to permit employment of a full-time paid secretary to improve the workings of the association, and new officers were granted the right to find and employ such a person. Retiring President Ed H. Bringham of the Standard agency, Phoenix, had charge of the meeting.

Following a noon luncheon members at the final general session heard a talk by John T. Breckon, assistant director of the Business Development Office, San Francisco. A round-table discussion of current problems concluded the meeting.

#### Theft Policy Spokane Topic

Jack Paradise, Spokane manager of U.S.F.&G., spoke on the new residence and outside theft policy at a luncheon meeting of the Spokane Insurance Association.

He reviewed the broad provisions of the new form, particularly coverage for mysterious disappearance and malicious damage. A recent F.B.I. report showed that by far the largest number of crimes were theft and robberies, with an annual property loss of \$43,000,000, Mr. Paradise said.

#### Wash. Officials Meet Dec. 10

A. J. Peters, Issaquah, president of the Washington Association of Insurance Agents, has called a meeting of all members of the executive committee, committee chairmen, local board presidents and past presidents in Tacoma Dec. 10.

All members of the Pierce County Insurance Agents Association are being invited to join in the session, at which reports on the Pittsburgh convention of the National association will be given by Alfred W. White, Seattle, state national director, and Mr. Peters, the Washington delegates.

V. R. Lee, Chehalis, chairman of the

### Cal. Agents Back Congress Bills on Insurance

The California Association of Insurance Agents at its annual convention in San Francisco endorsed enactment of the insurance bills in Congress, recommended adoption by the California legislature of the new New York fire policy, endorsed action taken by the National association opposing separation of the commission factor from the premium dollar, and opposing any plan calling for the advertisement of lump sum competitive contracts ex-insurance. George W. Murch of San Diego was chairman of the resolution committee.

Commissioner Garrison in his talk at the convention said that previously hearings have been held in Los Angeles or San Francisco as a rule but he plans to hold them in the county seat where the agent resides to avoid unnecessary travel and loss of time by those cited and witnesses.

Pictures of burned buildings, automobile wrecks, etc., in their own locality will help agents close sales, Roy G. Scheller, special agent London & Lancashire, Oakland, president of the Special Agents Association of Central-Northern California, said. It is valuable to add a postscript in capital letters at the bottom of letters asking for renewals. It should carry the salutation. He said it was surprising how many clients would drop into the office to talk over additional coverage as the result of these postscripts, they appreciated the interest, and it was much easier to sell them in the office than in the home or place of business. Such procedure saves gas, tires and manpower.

When an assured wants to cancel a policy, he suggested, the agent should ask him to sign a memorandum that assured does not want the policy, for the agent's files. This almost always saves the business.

In the group conference on agency production and office management under Chairmen W. P. Welsh, Pasadena, and Ernest Cochrane, Fresno, laying the groundwork for securing more financed automobile business in the future was emphasized. W. B. Glassick, Hollywood, said the special committee set up by the association to consider ways and means to assist the members in recapturing automobile business, believes there should be a long range public relations program to educate the public on the value of the agent's services in arranging financing and insuring. Work is now being done on direct mail material in which the agent can tell his clients of his services. Advertising is also being prepared by the association for use by local agents in conjunction with the direct mail. Mr. Glassick reported that the material has been tried out and has brought very definite results. Directors of the association will pass on the material at the December meeting, and it should be available for the agents early in 1944.

executive committee, will preside. Officers and committee chairmen will outline projected activities for the year.

#### Form Tucson Association

Organization of the Tucson (Ariz.) Association of Insurance Agents was completed at a recent meeting there. Kenneth L. Nehring was elected president, and W. E. Davidson, secretary-treasurer. Members of the executive committee are R. N. Martin, Jr., chairman; Roy N. Confer and Paul Jones. Some 20 members who planned the organization of the new group voted to hold monthly sessions and start a membership campaign which would reach all local insurance men.

## IN THE CANADIAN FIELD

### Selective Service Rule Hits Canadian Insurance

TORONTO—Under a new selective service order, workers between 16 and 41 not in "essential employment," will not be permitted to continue in their present jobs after Dec. 1 without the permission of selective service. Included in this new classification of workers to be moved are those "engaged in the underwriting, selling, brokering or administering of policies of insurance of any and every kind, including but not restricted to life, fire, accident, sickness, automobile, marine and general insurance."

A selective service official here states that a number of insurance firms, in anticipation of the call-up, requested exemptions for employees some little time ago. He stated that the number of applications submitted greatly exceeded

the number of postponements or deferments which selective service had anticipated would be applied for in the industry. This official stated that to a large extent the requests for deferment were unreasonable, in that "we find the agencies do not appear to have confined their applications to essential key men but have in almost every case requested postponement for all male employees within the age group covered by the compulsory transfer order."

In view of this, selective service officials have decided to leave all decisions regarding transfers to more essential work from present insurance work entirely up to their local officials.

### Canadian Hail Losses Heavy

Preliminary figures issued by the Canadian Hail Underwriters Association reveal that the season just ended was a very unprofitable one. Saskatchewan had

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a loss ratio of 125% against 77% last year, while Manitoba reports 80.5% for 1943 against 65 in 1942. Alberta this year had a loss ratio of 87 against 20.7.

### Clark Sterling Offices Secretary

Robert F. Clark has been appointed secretary of Sterling Offices of Canada. Prior to 1941, when he joined Sterling offices, Mr. Clark was with Commercial Union.

### Ferry Is Sudbury President

J. J. Ferry has been elected president of the Sudbury (Ont.), Fire & Casualty Insurance Agents Association. Vice-president is J. G. Lowe and secretary-treasurer D. Bowles.

## MOTOR

### Change Predicted in Financing

O. L. Coon, chairman of the board of the General Finance Company of Chicago, in a talk before the meeting of the American Finance Conference in that city, said that if finance institutions are going to compete with banks after the war, "We have got to have dealers' rates so low that they will be practically non-existent." He asserted that the finance business has come into maturity and that the industry is now in a position to do a large volume of business at nominal profit.

He predicted that about 3,000,000 automobiles will be manufactured in the year following the defeat of Japan which, however, he said, will not be before the middle of 1945. He prophesied that the post-war period as far as Europe is concerned will begin some time next year. Few new cars in his estimation will be produced before the defeat of Japan except vitally needed trucks. Because of the 3,000,000 cars he thinks will be manufactured between the middle of the next year and the middle of 1945, he said the demand will be so great that both price control and rationing will be needed.

The post-war period, in his opinion, will see a large supply of unused purchasing power, which will result in larger down payments and less financing for each machine.

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## MARINE

### May Upset Ill. PPF Program

Four non-I.M.U.A. companies, including, it is understood, one surety-casualty company, have made with the Illinois department personal property floater filings that deviate from the uniform program that has been in effect in the state since shortly after the new Illinois code was enacted subjecting this line to rate regulation. The department has indicated that it intends to approve these filings and if so that will upset the rate and policy uniformity that has prevailed in the state. Until now all companies writing the line have belonged to the Illinois Personal Property Floater Bureau and adhere to the rates, regulations and policy conditions prescribed by that bureau.

### Truck Cargoes Hit Underwriters Hard

Inland marine underwriters are now scrutinizing their truck cargo business very carefully. The trucks themselves are not in the best shape and most merchandise carried has risen in value. The hijackers are after stuff that is very valuable and can be readily sold. This is particularly true of liquor and food-stuffs that are difficult to get. A number of companies are placing a maximum on their liability and also require a deductible provision to avoid pilfering of small packages. It is supposed that most of these losses are due to inside jobs where the truck driver is cooperating with the hijackers. The hijackers make a study of merchandise that they particularly desire and then watch warehouses, freight cars and other delivery points from which merchandise is loaded.

### Wilson Brooks Heads Am. General Marine Work

Wilson Brooks has resigned his position with America Fore to become superintendent of the marine department of American General of Houston. He will be in charge of production and underwriting.

A native of Georgia, he moved to Texas in 1911. He attended Rice Institute at Houston and entered the insurance business with Marine Office of America in 1931. He was attached to the New York home office for a year and then was transferred to the southern department. He traveled in Texas commencing in 1935 and opened the Dallas service office. In 1938 he opened the Houston office and in 1941 went with America Fore, handling automobile, inland marine and general cover departments in Texas and Arkansas.

### General Average Claim

An interesting case of a general average claim has come to the attention of marine underwriters. Two ships bound for New York collided and one apparently was damaged so that it could not proceed. The second ship, which was in ballast, took on the cargo of the damaged ship as well as its own cargo at the port of refuge and when it reached New York, released the extra freight subject to general average. Interest lies in the fact that the second ship in the collision brought forward the cargo of the damaged boat. This practice would not ordinarily be followed in peace time.

### H. C. Thorn Is Reelected

H. C. Thorn has been reelected president of the American Institute of Marine Underwriters. T. J. Goddard is vice-president, Harold Jackson, treasurer,

and Ernest Driver was reelected secretary.

### Rates on Quotation Basis

NEW YORK—Marine underwriters have changed the rates on shipments to and from south and east Africa from western hemisphere points except for the east coast of South America south of and including Pernambuco from 5% to a "quoted on application" basis.

H. J. Toso, vice-president of Newhouse & Sayre, San Francisco, spent a few days in Chicago on his way back to the coast from a visit to the home office in New York. He is returning via Los Angeles where he will spend a few days visiting the firm's office there.

E. T. Wood, local agent of Clarks-ville, Tenn., has gone to Hollywood, Cal. He has not decided whether he will continue in the insurance business there or not.

### House Rules Committee Now Holds the Key

(CONTINUED FROM PAGE 1)

cated upon a change in the law by the supreme court.

"The insurance business is essentially local and best supervised locally by the state rather than through another cumbersome federal bureau; and it is believed that enactment of the bill will preserve state regulation, and is necessary to make certain that it will be preserved."

Congressman Emanuel Celler of Brooklyn who throughout the hearings on the bills, sided with the Department of Justice and even wanted the attorney-general to go farther than he was prepared to go, brought in a minority report which among other things stated: "If we pass any of these bills, I would say that we have come to a pretty low level in public decency and morals. It would mean that any special group of defendants in a criminal indictment could successfully come to Congress, be they bootleggers, racketeers, Office of Price Administration ceiling violators, toupe makers, pretzel benders, doctors, lawyers, Indian chiefs and say 'we should not be prosecuted on a pending indictment.'"

Celler devotes much of his diatribe to life insurance. He asserts that in the life insurance companies there is "a concentration of the control of wealth that is somewhat alien to the purposes of our federal reserve system."

"To say insurance is not 'commerce,' is an insult to one's intelligence," Celler declared.

"To say it is not 'interstate commerce' is to ignore its obviously inherent characteristics."

"To vote approval to any of these insurance bills would be to destroy the very foundations of our anti-trust laws. In the post war era I know of nothing more essential for the maintenance and

strengthening of private initiative and enterprise than the anti-trust laws. Destroy them and you build for yourselves a Frankenstein monopoly and cartels—the very antithesis of private initiative, enterprise and competition."

Superintendent Dineen of New York has written a letter to Senator Van Nuys regarding the proposed state's rights insurance legislation in which he states:

"This department would regard as highly detrimental to the interests of the people of this state any federal developments, either in the form of judicial decisions or Congressional action or inaction, which would make it illegal for insurers and rating organizations in this state to follow the spirit and letter of our statutes." He goes on to say that:

"We make no claim that our statutes are perfect and there is still room for improvement. We do say, however, that even in their present form our statutes give us a substantial degree of control over fire insurers, rating organizations and rates and that that control serves to protect the hundreds of thousands of policyholders in this state whose interests are the first responsibility of this department."

Mr. Dineen explains in detail the provisions of the New York law.

### GRANGE FAVORS BILLS

GRAND RAPIDS, MICH. — Two resolutions supporting the Bailey-Van Nuys bills were adopted during the convention here of the National Grange and its affiliated bodies. The grange delegates went on record at their general session favoring the proposed legislation while the National Federation of Grange Mutual Insurance Companies, whose office is in Denver, adopted a separate resolution of similar import.

Action on both resolutions followed an address by Commissioner Forbes of Michigan before the insurance committee of the grange.

Judge R. Foster Piper of the New York supreme court was a guest of honor at a reception given by the insurance section of the New York Board of Trade. He was formerly chairman of the assembly insurance committee of the New York legislature. Guests at the reception included Superintendent Dineen of New York and many prominent insurance men.


## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, Ill.

Nov. 22, 1943

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	137	140
Aetna Fire ....	10	1.80*	54	56
Aetna Life ....	10	1.40*	33 1/2	35
Amer. Alliance ..	10	1.20*	22 1/2	24
Amer. Equitable ..	5	1.00	18 1/2	20
Amer. Home ....	10	...	10 1/2	12
Amer. (N. J.) ...	2.50	.60*	15	16
Amer. Surety ....	25	2.50	59	61
Balti.-Amer. ....	2.50	.40*	7 1/2	8
Boston ....	100	21.00	565	585
Camden Fire ....	5	1.00	21 1/2	22 1/2
Contl. Cas. ....	5	1.60*	38 1/2	40 1/2
Cont. N. Y. ....	2.50	2.00*	44 1/2	46 1/2
Fidelity-Phen. ....	2.50	2.20*	46	47
Fire Ass'n ....	10	2.50*	63	66
Firemen's (N.J.) ..	5	.40	12 1/2	13 1/2
Fireman's Fund ..	10	3.00	87	90
Franklin Fire ....	5	1.40*	28	29 1/2
Glens Falls ....	5	1.60	42	44
Globe & Repub. ....	5	.50	9	10
Gt. Amer. Fire ....	5	1.20*	28	29 1/2
Gt. Amer. Ind. ....	2	.20	13	15
Hanover Fire ....	10	1.20	27	28 1/2
Hartford Fire ....	10	2.60*	94	97
Home (N. Y.) ...	5	1.60	31	32 1/2
Ins. Co. of N. A. ..	10	3.00*	81	83
Maryland Cas. ...	1	...	6 1/2	7 1/2
Mass. Bonding ...	12.50	3.50	72	74
Mer. (N.Y.) Com. ..	5	2.00*	46	48
Nat. Cas. ....	10	1.25*	22 1/2	24
Natl. Fire ....	10	2.00	68	70
Natl. Liberty ....	2	.40	7 1/2	8 1/2
Natl. Un. Fire ....	20	5.00*	186	189
New Amst. Cas. ...	2	1.00	27 1/2	29
New Hamp. ....	10	1.80*	44	46
North River ....	2.50	1.00	23	24 1/2
Ohio Cas. ....	5	.70	21	23
Phoenix, Conn. ...	10	3.00*	86	89
Preferred Accl. ...	5	1.00	14 1/2	15 1/2
Prov. Wash. ....	10	1.40*	35	37
St. Paul F. & M. ...	62.50	10.00*	295	305
Security, Conn. ...	10	1.40	36	38
Sprgfd. F. & M. ...	25	4.75*	125	128
Standard Accl. ...	10	2.50	65	67
Travelers ....	100	16.00	460	470
U. S. F. & G. ...	2	1.50*	36 1/2	38
U. S. Fire ....	4	2.00	49	51

\*Includes extras.




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